# OFFICIAL REPORT

OF THE

# DEBATES

OF THE

# HOUSE OF COMMONS

OF THE

## DOMINION OF CANADA

FOURTH SESSION—THIRTEENTH PARLIAMENT

10-11 GEORGE V, 1920

IN FIVE VOLUMES

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## VOLUME CXLIV

COMPRISING THE PERIOD FROM THE SECOND DAY OF JUNE TO THE TWENTY-SECOND DAY OF JUNE, 1920, INCLUSIVE.

OTTAWA
THOMAS MULVEY
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1920

CANADA

# House of Commons Debates

OFFICIAL REPORT

## Wednesday, June 2, 1920.

The House met at Three o'clock.

### RETURNS TABLED.

Number of persons employed in the Department of the Interior.—Hon. Mr. Sifton.

Number of dismissals from the Civil Service made in the cities of the Dominion since first January, 1915.—Hon. Mr. Sifton.

### QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

#### PARLIAMENT BUILDINGS—COST OF SCAFFOLDING.

*Mr. BROUILLARD:

1. Including the amount paid for the labour and the materials that entered into its construction, and the removal, what was the total cost of the scaffolding erected along the entire front of the old Parliament Building in April, May and June, 1916, prior to taking down the walls and tower?
2. Does the total cost of the said scaffolding form part of the cost of the new Parliament Building?
3. What became of the lumber of which the said scaffolding was built?

Hon. Mr. REID:

1. Lumber, $4,241.84; bolts and nails, $512.45; labour, $5,199.75; total, $9,954.04.
2. Yes.
3. Lumber to the value of $553.77 was sold to the Military Hospitals Commission for their building. The remainder has been put into use for general scaffolding, shoring, bracing, etc., during the erection of the new building. The smaller timbers and planks are used up but the larger timbers are still in use.

#### CANADIAN NATIONAL RAILWAYS—COST OF ENGINE REPAIRS.

Mr. GAUVREAU:

Is the Government or the Minister of Railways aware that the amount for repairing an engine at the Canadian National Railways shops, St. Malo, Quebec, is five times higher than it was at the Riviere-du-Loup shops, before the machines of the latter were transferred to St. Malo?

Hon. Mr. REID: Neither the Government nor the Minister of Railways has any such information.

### UNOPPOSED MOTION FOR PAPERS.

Mr. BOURASSA:

For a copy of all papers, documents, telegrams and reports concerning the indemnity paid to the widow and the children of J. L. A. Forbes, killed at Aston Junction, the 11th of September, 1918, while on duty as brakeman on the Government railways.

### QUESTIONS PASSED AS ORDERS FOR RETURNS.

Mr. HOCKEN:

1. How many members of the staff of the House of Commons are French?
2. How many of the House of Commons staff are English speaking?
3. What proportion of the total salaries is paid to the French officials?
4. What proportion of the salaries is paid to the English-speaking officials?

Mr. PREVOST:

1. What was the total number of chief clerkships on the House of Commons staff in the year 1909?
2. How many of these chief clerkships were held respectively by English-speaking and French-speaking officials in the same year, and what were the names and titles of each chief clerk?
3. How many chief clerkships are held today by English-speaking and French-speaking officials respectively, and what are the names and duties of such chief clerks on the said staff of the House of Commons?
4. What is the present salary of each chief clerk of the said staff, and what was the salary of each in 1918?

Mr. TOBIN:

1. How many chiefs of branches are there on the staff of the House of Commons?
2. How many of them are French?
3. How many of them are English-speaking?
4. What is the total of the annual salaries paid to those who are French-speaking?
5. What is the total of the annual salaries paid to those who are English-speaking?

Mr. BUREAU:

1. How many pages are on the staff of the House of Commons?
2. What is the name, address, and the age of the page in each case?

3. Is there any (a) minimum, (b) maximum age of employment?

4. Is any provision made for pages under the age of 14 years attending day school? If not, why not?

4. Have the services of any pages been dispensed with during the present session of Parliament? If so, what is (a) the name, (b) the age of the pages in each case?

6. What are the working hours of pages employed by the House of Commons?

7. Which, if any, of the pages employed by the House of Commons are the sons of men who saw active service in the recent war with Germany?

## SITTINGS OF THE HOUSE.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister) moved:

That on and after Friday the 4th instant and until the end of the present session the House shall meet at two o'clock in the afternoon of each day.

He said: I have conferred with my hon. friend the leader of the Opposition (Mr. Mackenzie King) and with the hon. member for Marquette (Mr. Crerar) in regard to the disposition of the notice which stands on the Order Paper. I have also endeavoured to ascertain the views of hon. members generally throughout the House and I understand that the motion in the form which I now propose will be acceptable.

Mr. BUREAU: Does that include Saturdays?

Sir ROBERT BORDEN: No, not Saturdays. As far as Saturdays are concerned, I propose to leave that question in abeyance at present until we have made progress with the Budget and until it is more apparent as to what programme it will be possible to deal with at the present session.

Mr. FIELDING: That will apply also to Monday?

Mr. BUREAU: It says "each day."

Sir ROBERT BORDEN: Yes.

Motion agreed to.

## ADJOURNMENT OVER KING'S BIRTHDAY.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister) moved:

That when this House adjourns on Wednesday the 2nd day of June, it do stand adjourned until Friday, the 4th day of June.

He said: My personal view, as I explained at the time, was that we might very well have sat on the 24th May and the 3rd June. However, in deference to what seemed to be the general view of hon. members, the House stood adjourned over the 24th of May. Under the circumstances it seemed to me that our action might be misunderstood if we did not adjourn over to-morrow. There is the fact also that hon. members had a somewhat protracted session yesterday and I dare say some will desire to make amends.

Mr. BUREAU: Oh no; we are young.

Sir ROBERT BORDEN: My hon. friend is anxious to sit to-morrow, I see.

Mr. BUREAU: No, no; I do not wish to assume any blame for that.

Mr. BELAND: But he disclaims any fatigue.

Sir ROBERT BORDEN: I am sorry that we are not all so young and energetic as he is. However, I present the motion in that form.

Motion agreed to.

## CATASTROPHE AT THERIAULT AND ST. QUENTIN, N.B.

On the Orders of the Day:

Mr. PIUS MICHAUD (Restigouche and Madawaska): I wish to ask if the Government is aware of the great catastrophe that took place yesterday at Theriault Settlement and St. Quentin in my own constituency. There are sixty-five families homeless; there is a million dollar loss of property and I understand that under these circumstances the Government might come to the assistance of these poor, unfortunate people.

Sir ROBERT BORDEN: The unfortunate disaster to which my hon. friend has alluded has been made known to the Government through the press, not otherwise. There have been like disasters, I believe, in other parts of the country through forest fires. However, the subject has not been considered by the Government. We will take it into consideration, perhaps, within a day or two, but I would like to remind my hon. friend that assistance in the case of disasters of this kind might possibly come more particularly within the sphere of activity of the Provincial Governments.

## CANADIAN MINISTER PLENIPOTENTIARY AT WASHINGTON.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX (Maisonneuve): I have not the despatch under my hand, but I read in this morning's Citizen

that in the Imperial House yesterday the question of the appointment of a Canadian Ambassador at Washington was raised, and that one of the members of the Imperial Cabinet declined to give the information sought by two members of the House. The reason alleged in this despatch for the refusal of the Imperial Government to speak on this question is, that it has been understood that the correspondence between the Imperial and Dominion authorities should be kept confidential. I give at first hand the substance of the despatch in question, and I would ask the Prime Minister to inform the House if this correspondence is to remain permanently confidential or whether some day we might know why such correspondence has been exchanged and the reasons for the secrecy.

Sir ROBERT BORDEN: I am not prepared to say that a time will not arrive at some date in the future when the correspondence can be brought down, but I repeat what I have already stated; that according to my judgment it is not desirable in the public interest to bring it down at present. As to the answer which was given in the British House of Commons my attention has not been directed to it. My understanding is that the Imperial Government takes precisely the same view, as to bringing down the correspondence, as was announced to this House by the Canadian Government.

Hon. Mr. FIELDING: The despatch in question rather intimated, without saying so specifically, that the correspondence has been withheld at the request of the Canadian Government. The inference drawn from reading the despatch is that the Imperial Government would be quite willing to bring down the correspondence, but in deference to the Canadian Government they do not feel free to do so.

Sir ROBERT BORDEN: Any impression of that kind is incorrect.

## OPIUM AND NARCOTIC DRUG ACT AMENDMENTS.

Hon. NEWTON W. ROWELL (President of the Privy Council) moved the second reading of amendments made by the Senate to Bill 20 to amend the Opium and Narcotic Drug Act.

Mr. MACKENZIE KING: Explain.

Mr. ROWELL: The amendments are purely formal. I do not think they alter the meaning of the Act as it now stands in any respect, but it may be that they make the meaning a little clearer. There is no objection to them.

Motion agreed to.

## CRIMINAL CODE AMENDMENT ACT (FRENCH VERSION).

Rt. Hon. C. J. DOHERTY (Minister of Justice) moved the second reading of Bill No. 131, (from the Senate) to amend the Criminal Code (French version).

Mr. MACKENZIE KING: Will the minister explain the nature of the amendments which have been suggested. They are to correct clerical errors, are they not?

Mr. DOHERTY: Yes, purely and simply to correct errors of translation. There are quite a number of them but I understand they have been carefully gone over by the officers of the House.

Motion agreed to and the House went into committee on the Bill.—Mr. Boivin in the Chair.

On section two—French version amended.

Mr. FIELDING: The serious feature about these amendments is the reflection that is cast upon the translation in so important a matter as a statute of Canada. I should think that is the gravest aspect of the matter. Without knowing very much about it, I should think it a subject that calls for the very serious consideration of the Government and of Parliament.

Mr. DOHERTY: I do not think the gravity of the matter can be exaggerated, but these errors go back to the time of the printing of the Revised Statutes in 1906. Attention was recently called to a few errors with the result that it was thought desirable to have a careful examination made to see if we could not, once for all, get this translation correct. There is no question at all of the gravity of the matter, but the responsibility rests upon whoever was responsible for the translation, in 1906 I think it was, at the time the Revised Statutes were translated. I made some inquiry on the subject and the explanation given to me was that at that time the work was practically entirely in the hands of one man. That work is not of a simple character. Anybody who has ever attempted translation of this character, I think I may safely say, no matter how familiar he is with the two languages, will realize there is nothing more difficult than getting an exact translation; and sometimes when the

translation of laws is made by men who have not the requisite professional knowledge they have greater difficulty I think, in apprehending and rendering the exact meaning. I quite agree that this is a serious matter. I have called attention to the gravity of the question, and I believe that at the present time a committee composed of members of both Houses is considering the whole subject of the translating staff, and of any improvements that may be made in the system.

Mr. BUREAU: I notice on looking over the Bill that some of these corrections are not errors of translation; for instance, the first clause of section 3, in which we are asked to insert the word "et" before the word "d'une"; that must be an error by the proof-reader. Then section 10 is to be repealed by substituting another section. I have not read the French version of the section, but by repealing the old section and substituting a new section I cannot see that we are correcting any errors of translation.

Mr. DOHERTY: We are repealing the existing French translation and substituting a correct translation. Perhaps it sounds peculiar to state it in that way, but we are letting the English version stand. The English and French versions are both equally the law, but here we find one version is perfectly correct, while the other is not. The only method, it seems to me, by which we can make it clear is to strike out the incorrect and substitute the correct, and in that sense it is a matter of translation, as is also the first amendment the hon. gentleman (Mr. Bureau) mentions, in that the English version contains the word "and," while the "et" is missing in the French version. I understand that in validating the Revised Statutes the usual practice was departed from, and they were passed in English, then translated and a statute enacted making the translation law. It was certainly an extraordinary way to deal with laws that ought to be passed concurrently in both languages. But, as I have said, those who were in control at the time—I do not know whether my hon. friend had any share in that control—must be responsible for that departure from the established practice.

Mr. LEMIEUX: I was a member of the Government at the time the statutes were revised, and I remember that the French translation did not come in force at exactly the same time as the English version. Probably my right hon. friend will remember that Sir Alan Aylesworth,—who was then Minister of Justice,—had to introduce special legislation in order to meet the general law which makes it obligatory that both versions should come into force concurrently. The translation of the Revised Statutes was entrusted to a well-known lawyer, the late Mr. Horace St. Louis, of whose ability there can be no question. He was absolutely proficient in both languages, and at the time no better man could have been selected for that work. It is quite possible, however, that as there are certain differences between the British Criminal Code and the French. Mr. St. Louis may have used expressions taken from the French Code Criminel which have no place in our Criminal Code. In glancing at the Bill I notice that there are many omissions which are rather in the nature of printers' or proof-readers' errors, and I see very few words or expressions which would indicate that the translation was poorly made. On the contrary, I think the translation appears to have been made as perfectly as possible, and I would like at once to remove the doubt cast by my hon. friend from Shelburne and Queen's (Mr. Fielding) on the ability of the translator. On the whole I think the sooner we correct these errors the better for our practitioners.

Mr. BELAND: I do not wish to contradict anything that my hon. friend from Maisonneuve (Mr. Lemieux) has said. There may have been a number of omissions and errors in the printing, but we find from the Bill before us that about 300 corrections have to be made. I do not for one moment question the competence in French of my hon. friend the Minister of Justice, but I want to ask him if his translation is found to-day to be wanting to the extent this Bill would indicate, how is he satisfied that the translation of the clauses referred to is now perfect when it was previously imperfect? In other words, what is the composition of the Board of Translators that has passed judgment upon these amendments? The moment the minister declares that he is satisfied and gives the House satisfactory assurance as to the competence of the Board of Translators, I do not think we should go over every item.

Mr. FIELDING: If my hon. friend from Maisonneuve gathered from what I said that I had any desire to reflect on any individual translator, I can assure him that that was not my intention. I do not know who the translators were, and from my lim-

ited knowledge of French I should hesitate to speak on the subject, but I know enough of the difficulties of translation to appreciate them, and my only thought was to convey to the minister and the Government the importance of a correct translation, especially in regard to our statutes. A correct translation is important in relation to all our documents, but when we come to the law of the country and find after a lapse of years that there have been "printers' errors"—and it is very easy to blame the printer or the proof-reader—it seems to me that we ought to realize the importance of having skilled and capable men as translators, and if we have been lax in that respect in the past, by all means let us elevate the standard of the men we engage for this work, which is one of the highest classes of work in our public service.

Mr. DOHERTY: As I said, I fully agree with everything that can be urged in regard to the importance of having correct translations. It was a matter of alarm to me when my attention was first called to this large number of errors, and I have done my best to impress upon the law officer looking after this work the importance of getting these amendments correct now. As I said, I understand there is at present a joint committee of both Houses considering the question of the organization of the translation staff. I do not know how far they have proceeded, but I do hope that they will give the most serious consideration to the importance of having this translation work properly done. I am not in a position to give to the hon. member for Beauce (Mr. Béland) the name of the translator or translators who made this revision. But I did impress upon the Parliamentary Counsel, from whom I can obtain the name without difficulty, the importance of getting the best talent available. and above all—because I think it is more a question of care than a question of ability —that he should impress upon those doing the work the importance of doing it carefully.

Mr. JACOBS: What assurance have we that the changes proposed by this new Act are going to be correct? The Bill comprises twenty pages and deals with changes affecting practically every section of the Criminal Code. The minister speaks about these errors as being merely errors of translation. On page 11 of the Bill the following changes are proposed in the French translation of section 129:

By substituting the words "Si deux ou plus de deux prisonniers sont" for all the words in the first line to the word "accusés;" and by inserting after the word "infraction," in the second line, the words "et si l'un d'eux;" and inserting after the word "procès," in the last line, the words "devant un jury."

That is not correcting an error in translation, it seems to me. It is making an entire change in the law.

Mr. DOHERTY: The English words corresponding to these words that are now sought to be inserted in the French version are in the English version; therefore all we are doing is making the French version correspond with the English. As to what guarantee we can have that these changes are correctly made, there are two ways by which we may be assured: either by relying upon those officers who have done the work, or by taking up the English version and comparing these enactments with it. Tnat of course, would be a somewhat tedious work for the committee to undertake

Mr. BUREAU: The change in section 829 would seem to make the thing worse. The English version says: "If one of two or more." The present French translation says: "Si un prévenu, sur deux ou plus." You are going to strike that out and substitute the words: "Si deux ou plus de deux prisonniers."

Mr. BELAND: Has it occurred to the minister that this Bill should be submitted to a small Committee of the House over which the minister might preside? We have on this side a number of eminent lawyers who are fully conversant with both languages. It would not take them more than two hours to go over these different items or clauses and see if the translation is proper, whereas if we take the Bill up clause by clause in the Committee of the Whole, it may take us two or three days to deal with it.

Mr. DOHERTY: I am prepared to welcome the co-operation of such hon. members as my hon. friend has referred to, who may be willing to undertake this work. In view of the suggestion that has been made, and in order that we may be in a position to carry it out, I move that the committee rise, report progress and ask leave to sit again.

Mr. DENIS: Before the committee rises I have an observation to make. I do not want to cast blame on anybody, but it seems extraordinary that all these mistakes should have been made, either in the translation or in the correction of proof. For instance, if we look at the changes proposed

in section 129, we find that it is proposed to substitute the word "quatorze" for the word "sept." Well, how in God's world could a translator make the mistake of using the word "quatorze" instead of the word "sept?" It is no easy task to translate laws. Those who have some knowledge of two or more languages know of the enormous difficulties that are met with in the translation of laws or speeches or anything else. We have had what I might call a world example in the translation of the Peace Treaty. Complaints were made at the Peace Conference that the Treaty was not properly translated, although the services of the best experts in the world had been obtained to translate that Treaty. Of course, we may easily come to the conclusion that a translation is very far from perfect without casting blame on anybody, but this particular case brings us to the consideration of a much wider question, and it is this: If so many mistakes have been made in the translation of the Criminal Code, a statute that is referred to every day—and probably it was because of that that the mistakes were discovered—what other mistakes must there be in the translation of other laws? If we come to the conclusion that there must be many other mistakes in the translation of other statutes, then the French versions of our laws are very undependable and very uncertain. This is certainly a very serious state of affairs. In my practice I have seen lawyers use either the French or the English version, according to which best suited their purpose; the Minister of Justice, having been a judge, probably knows something about that. That there was a difference between the two versions was apparent. Of course, there is always the guiding principle —if it is a guiding principle—that when a law is originally written in only one language we should refer to the original in order to find out what its intent was. But it is a serious state of affairs when in the translation of a single law there are over three hundred mistakes, the correction of which now has to be made. I am simply suggesting that the Government should adopt some method of ensuring that all our laws are correct, or should appoint some one to supervise the laws as they go through, so that something may be done in order to remedy this inconvenience, because I am quite sure that if we set translators to work on some other law, next session a new Bill will have to be introduced in order to correct discrepancies.

Mr. DOHERTY: I am very much afraid the hon. member is correct in his contention. Might I suggest to him a very simple way by which the recurrence of this might be avoided? This was an exceptional case in which the law was passed in one language and subsequently translated; but with that exception all laws that come before Parliament do so in both languages. If hon. gentlemen who are perfectly familiar with the French language would have before them, as the Bills are being passed, the French version as well as the English, and would keep an eye on the French version, it would be a very simple matter to see that they both correspond. In that way we would have the matter controlled by this House and we would not be dependent on the greater or less degree of carefulness on the part of translators. Strictly speaking, that would be the proper way of passing the laws, although I do not want to suggest that every hon. member should be reading the two versions. I make that suggestion as a remedy which I think would be an effective one. In the meantime, perhaps the committee which we are going to form to go over this Bill might profit by that occasion to talk over what means might be found to guard in the future against the recurrence of this serious defect.

Mr. FIELDING: Might I ask, just as a matter of curiosity, not by way of criticism, by what process the conclusion is reached that the English version is right and the French version is wrong? Are we not bound to assume that both languages are equal before the Parliament of Canada? Somebody might say: You are all wrong; the French version is right; what you want to do is to correct the English version.

Mr. DOHERTY: It is quite possible that there might be an error in the English rather than in the French version; but as regards this particular law, we are in a position to know that the English version was the only version scrutinized by Parliament and that in this instance the French version is a translation. I am not at all prepared to say that a court would exercise a preference as between one language and the other; the court would have no proof by which it could assume that one language was the original language. If you take this instance to which attention was called, the difference between the two versions is this, that the English version says that a man shall be liable to a sentence of fourteen years, while the French version says that he shall be liable to a sentence of seven years. Speaking offhand, I would think that it would be the duty of any judge to

apply that version which makes the penalty the least, because he ought to have no doubt in his mind that the man is liable to the penalty which he imposes.

Mr. BUREAU: Would the court not take the language in which the Bill was drafted and introduced in preference to the other?

Mr. DOHERTY: I do not think it is usual for courts to hear testimony as to proceedings that took place when a law was going through Parliament. The law arrives at the court as the law, and I do not think the court would be justified in hearing such testimony. Hon. gentlemen will remember that in Quebec we have rules laid down for the guidance of the court in the event of there being found differences between the two versions. I think if my memory serves me right, the over-riding rule is that the judge is to adopt that version which is most in accordance with the general principles that govern the subject.

Motion agreed to.

Progress reported.

## CANADIAN NATIONAL RAILWAYS.

Hon. J. D. REID (Minister of Railways) moved the second reading of Bill No. 141, respecting the Canadian National railways.

Mr. FIELDING: Was that on the list of Bills which my right hon. friend gave to the House last night? My recollection is that it was not.

Sir ROBERT BORDEN: No. I will not take it up if there is any objection—

Mr. FIELDING: I am not objecting.

Sir ROBERT BORDEN: The Minister of Railways informed me that he proposed having the Bill read a second time and then having it referred to the Railway Committee.

Mr. J. D. REID: My intention is simply to have the Bill referred to the Railway Committee.

Mr. FIELDING: I understand the purpose of this Bill is to provide for the extension of several branches of the Government railways in the West?

Mr. J. D. REID: Three short extensions of lines now owned by the Canadian National railways. When we require a new charter or an extension, we must come to Parliament and go through the usual process just as if this were the Canadian Pacific or any other private railway. We are asking for three extensions, and I wish to refer the matter to the Railway Committee in the ordinary way.

Mr. FIELDING: My hon. friend knows that these days we are constantly talking of economy. If it was the declared policy of the Government not to make any such extensions, I should hesitate before asking for any extension in the East. But if we are to provide for some extensions of the National system in the West— and I assume these are justifiable extensions—it is not unreasonable that we should consider claims that may arise in the East. I have had brought to my notice and wish to bring before Parliament the claim of the town of Lockeport, in the county of Shelburne, a very important fishing district in Nova Scotia, about three miles from the railway. That is to say, what is known as the Halifax and South Western railway, part of the Government system touches the water of Lockeport harbour, but is three miles away from the town. Communication is by a ferry boat, and that is very unsatisfactory but, of course, better than nothing. There is a growing feeling there that this large town, which is incorporated, ought to have more immediate connection with the railway, and it is not surprising that the people of that district desire that facility. Every day we are realizing that more attention should be given to the fisheries of the Dominion as a source of food supply. This is one of the districts in which the fishing business is pre-eminent. It is growing in importance all the time, and the desire of the people that they should have direct communication with the railways, instead of having to take their freight three miles away either by road or ferry boat, is a very reasonable one. I think representations have been made to President Hanna at Toronto, and I would ask my hon. friend to communicate with the department with reference to this matter. I desire to urge on the minister that if our financial condition was such that we could not provide for railway extensions in any part of the country, I would hesitate to bring this matter to the attention of the Government, but if we are to provide some extensions in the West it is only rational and reasonable that a moderate expenditure of an urgent character in the East should also be considered. It is a new question to my hon. friend, I have no doubt, but I should be glad if he would investigate and see if something cannot be done to give these people the small advantage of what is no more than a siding of about three miles.

4 p.m.

Mr. J. D. REID: This is the first time I have heard of the matter. I agree that if any great number of extensions are to be made in the West, the East should also be considered equally. I will take this matter up with the management of the Canadian National railways and see if the wishes of the people in that locality can be met.

Mr. BELAND: May I ask a question of the Minister of Railways?

Mr. DEPUTY SPEAKER: It would only be by unanimous consent that the Minister of Railways could answer, as he has already exhausted his right to speak.

Mr. LAPOINTE: We all consent.

Mr. BUREAU: Hear, hear.

Mr. BELAND: I understood a few days ago that the House was to be supplied with a report of the operation of the Canadian National railways. I have received a copy of one report but it deals only with the operations of the Canadian Northern railway. Under what head can we find information respecting the operation of the Intercolonial, for instance? The Intercolonial is a part of the Canadian National Railway system, but I can find no reference to its operations in the report that has been laid on the Table.

Mr. J. D. REID: The report on the operations of the Intercolonial is generally given by the minister when his Estimates are before the House. Then there are the usual statements in the report of the Minister of Railways. If any information is desired beyond what is contained in those statements, I shall be glad to give it when my Estimates are before the committee.

Mr. BUREAU: That applies also to the Transcontinental and the Grand Trunk Pacific?

Mr. J. D. REID: Yes.

Motion agreed to, Bill read the second time, and referred to the Select Standing Committee on Railways, Canals, and Telegraph Lines.

## RAILWAY ACT, 1919, AMENDMENT.

### SECOND READING.

On the motion of Hon. J. D. Reid (Minister of Railways and Canals), Bill No. 135, to amend The Railway Act, 1919, was read the second time and referred to the Select Standing Committee on Railways, Canals and Telegraph Lines.



## ADMIRALTY ACT AMENDMENT.

On the motion of Hon. C. J. Doherty (Minister of Justice) Bill No. 139, to amend the Admiralty Act, was read the second time and the House went into committee thereon, Mr. Boivin in the Chair:

On section 1—appointment of deputy judges:

Mr. BUREAU: Does this mean that the Governor in Council or local judge in Admiralty may appoint a deputy judge even if the judge is still in office?

Mr. DOHERTY: No. Regularly speaking, unless you have an officer you cannot have a deputy of that officer. The deputy judge is the deputy of an existing judge. This amendment is to prevent it happening that the deputy, because the judge dies or his office otherwise becomes vacant, shall cease to have power to act.

Mr. FIELDING: How would that apply to a deputy minister?

Mr. BUREAU: "Le roi est mort, vive le roi!" The king never dies, nor do ministers. They may walk out of office, but few die.

Mr. McKENZIE: There is nothing in the Bill as to the class of persons from whom the deputy would be selected, although, of course, it is well understood what the qualifications of the deputy judge should be.

Mr. DOHERTY: I have not in my hand at the moment the provisions which determine what shall be the qualifications, but there is nothing new in this except the empowering of the Governor in Council or local judge in Admiralty to appoint a deputy judge when the judge's office for one reason or another becomes vacant. The qualifications are not altered in any way by this.

Section agreed to.

Bill reported, read the third time, and passed.

## EMPLOYMENT OFFICES CO-ORDINATION ACT AMENDMENT.

Hon. ARTHUR MEIGHEN (Minister of the Interior) moved the second reading of Bill No. 124 (from the Senate), to amend The Employment Offices Co-Ordination Act.

Hon. W. L. MACKENZIE KING: Explain.

Mr MEIGHEN: I explained this Bill on its introduction. It is to enable the minister to make the grant provided for by the former Act, in the case of institutions carried on by municipalities, where the provinces decline to avail themselves of the Act.

Mr. BUREAU: This applies to Nova Scotia and New Brunswick alone?

Mr. MEIGHEN: And Prince Edward Island.

Mr. MACKENZIE KING: This Act was assented to on May 24, 1918. The Act required that any assistance that was given to carry out its purposes and to encourage the co-ordination of employment offices, should be given to the provinces in accordance with its provisions. The Act made no mention of any assistance being given in any other way. I was very much surprised to find that, notwithstanding the legislation which has been enacted in that form, the Government, by Order in Council, have undertaken to give a much wider construction to it than that which Parliament placed upon it. I have in my hand a copy of Order in Council No. 3171, assented to on the 24th day of December, 1918, in which I find the following paragraph:

Therefore His Excellency the Governor General in Council, under and in virtue of the provisions of the Employment Offices Co-ordination Act, is pleased to order and it is hereby ordered as follows:

(a) The Minister of Labour may establish and maintain for a period of eighteen months from January 1, 1919, such employment bureaus as may be necessary, and not established under the provisions of the Employment Offices Co-ordination Act.

(b) The Minister of Labour may establish and maintain offices at such points as he may deem necessary, provided the municipality supply office space and equipment required.

There is an Order in Council that distinctly gives power to the Government in regard to a matter on which this Parliament has legislated and these powers are completely beyond those that are granted by statute. I hope, when the minister refers to this matter in committee, he will have some satisfactory explanation to give to Parliament on the subject. It is perfectly plain how the money to be appropriated for the purpose of carrying out this Act was to be expended. Section 5 reads:

The moneys appropriated for each year shall be allotted and paid to the governments of the respective provinces in the proportion which their expenditure for the maintenance of employment offices bears to the total of the expenditures of all the provinces for such purposes, but in no case shall the allotment to any province exceed one half the amount expended for the maintenance of employment offices by such province.

The moneys were to be appropriated and paid to the governments of the respective provinces. That is what Parliament said. Parliament said nothing about authorizing payments to or for municipalities. Parliament said nothing about giving the minister power to establish offices under Order in Council as might suit himself. This is a very serious departure from what can be considered at all right and proper in view of the statute as it has been enacted by Parliament. Further, section 6 of the Act says:

The payments hereinbefore authorized shall as to each province, be conditional upon agreement between the minister and the government of the province.

This Order in Council says:

The Minister of Labour may establish and maintain offices at such points as he may deem necessary, provided the municipality supply office space and equipment required.

There is no reference to the Government of the province at all, the clause simply empowers the minister to make any arrangement he pleases with individual municipalities. But that is not all. There is, it seems to me, another flagrant violation of the practice and rights of Parliament, in another Order in Council which was passed on the 12th of March, 1919, in relation to the very same matter. I have a copy of the Order in Council in my hand. It is No. 537 and it was assented to on the 12th March, 1919. I find that the last part of the Order in Council is as follows:

The minister therefore, recommends that an amount estimated at $30,000 be placed to the credit of the Department of Labour from the War Appropriation for the purposes of making subventions to various provinces on the basis stated, the said sum of $30,000 being over and above the appropriation of $50,000 named in the statute for the fiscal year 1918-19.

Here is another most important departure. The statute itself fixed the amount which Parliament authorized the Department of Labour to pay. Clearly, in fixing that amount, Parliament intended to place a limit upon the extravagance of the Government in the matter of the establishment of these employment offices and assisting other employment offices which were established. Notwithstanding that legislation is before the ministry they pay no heed whatever to the law but take public moneys that have been appropriated for one purpose and use them for an entirely different purpose. We have had so many instances of this kind of indifference to Parliament and the legisla-

tion of Parliament that the time has come when a halt should be called to further proceedings of this kind by the Government. I repeat that I hope the minister will have some explanation to give to the House when the Bill gets into committee. I would just draw the attention of the House and the country to the fact that here is one more of the many instances that have been quoted this session, first, where legislation passed by Parliament has been absolutely ignored and the Government has taken action entirely beyond the scope of that legislation and, second, where moneys appropriated for a particular purpose have been used by the Governor in Council for an entirely different purpose notwithstanding that Parliament has placed a restriction upon the amount of public money which should be spent in a particular direction.

Motion agreed to, Bill read the second time and the House went into committee on the Bill, Mr. Boivin in the Chair.

On section 1—definition:

Mr. MEIGHEN: I was not able, having moved the second reading, to reply to the leader of the Opposition. I should not let the occasion pass without saying something about his solicitude for the Government. His great care is that we do not exceed the legal bounds of our authority. I did not have my attention drawn to the Orders in Council he read to the House, or the portions which he read, but just sitting and listening to them and looking at the Act itself, I was not struct by any conflict between the terms of the Order in Council and the wording of the Act. Nor do I see any reason at all to believe that the terms of the order in the least degree exceed the powers given to the Governor in Council by the Act. Referring to the first one, if I got it rightly—I would be glad indeed to have the copy sent across—it provided that, by means of regulation, the Minister of Labour might grant assistance to the support of an employment office in cases where the office and, I think, the help were provided by the municipality. The Order in Council says:

> The Minister of Labour may establish and maintain offices at such points as he may deem necessary, provided the municipality supply office space and equipment required.

Now section three of the Act reads as follows:

> The minister is authorized and empowered,—
> (a) to aid and encourage the organization and co-ordination of employment offices and to promote uniformity of methods among them;
> (b) to establish one or more clearing houses for the interchange of information between employment offices concerning the transfer of labour and other matters;
> (c) to compile and distribute information received from employment offices and from other sources, regarding prevailing conditions of employment.

Now by section 10 the minister may make any regulations, not inconsistent with the Act, which he may deem necessary to carry this Act into effect, subject to the approval of the Governor in Council. That is to say the Governor in Council may make regulations. Consequently the Governor in Council may make regulations to aid in the organization and co-ordination of employment offices. Now the Governor in Council in pursuance of that does what? It passes a regulation that the minister may establish and maintain offices at such points as he may deem necessary—really the same meaning as the first clause—provided the municipality grants the office space and equipment required. Where does that exceed the bounds of clause (a) defining what the minister is empowered to do? The following clauses provide that the minister may as well, from a special appropriation provided by the Act, pay certain moneys to the provinces according to a certain rule and proportion. That is one power. Clause three contains another power that the minister evidently acted upon. There appears to be another Order in Council of the 18th December, 1918. The second Order in Council to which the leader of the Opposition refers contains a provision appropriating:

> $30,000 from the War Appropriation for the purpose of making subventions to various provinces on the basis stated, the said sum of $30,000 being over and above the appropriation of $50,000 named in the statute.

The statute was one providing an appropriation for certain well-defined purposes. It has no special relation to soldiers' demobilization or to the war at all—it is permanent in its character. This appropriation, which evidently came in March, 1919, the very time when most of the men were returning, was an appropriation designed to take care especially of returned men and to make special efforts under the provision of the Act, and also under the powers given the Governor in Council under the terms of the War Appropriation Act itself, to place returned men in suitable employment as soon as possible. I have not under my hand the terms of the War Appropriation Act, but I have not the faintest doubt that the Governor in Council was clearly authorized by Parliament to make an appropriation just for

that purpose because the wording of the Act was very wide, and necessarily very wide, and I do not know what better use could be made of the war appropriation moneys than to facilitate the early absorption into useful employment of the returned men. But it is not under the authority of this Act, it is under the authority of the War Appropriation Act as I would understand from a hurried reading, that the second Order in Council was passed.

Mr. MACKENZIE KING: The minister says he sees nothing inconsistent with the terms of the Act in the course which the Government has taken in passing an Order in Council which allows the payment of moneys under this Act to municipalities when the whole purpose of the Act is to restrict payments to the Governments of the different provinces.

Mr. MEIGHEN: To restrict?

Mr. MACKENZIE KING: Yes, to restrict payments to the governments of the different provinces. Let me direct the attention of the minister to section five of the Act, "An Act to aid and encourage the Organization and Co-ordination of Employment Offices," chap. 21, 8-9, George V., which reads as follows:

> The moneys appropriated for each year shall be allotted and paid to the governments of the respective provinces——

Does the minister think that it is consistent, when the Act states that the money should be paid to the governments of the provinces, to pay that money to the municipalities when the provinces refuse to co-operate? As I understand, what happened was this: Several of the provinces undertook to co-operate with the Dominion Government in the matter of these employment offices and to meet half of the expense, but the Governments of Nova Scotia, New Brunswick and Prince Edward Island decided that they would not open employment offices. On the other hand there were a few municipalities that had such offices, and the Government took authority on its own account by Order in Council to pay this money to the municipalities, not to pay it to the Provincial Governments. Now there may be reasons on the ground of meeting an emergency, or some sort of expediency, which would justify that, but when the minister says there is nothing inconsistent in using the moneys which had been voted by this Parliament to be paid only to governments, and paying them over to municipalities——

Mr. MEIGHEN: Where does it say that the money shall be paid to municipalities?

Mr. MACKENZIE KING: That is exactly what was done with the money.

Mr. MEIGHEN: No, why do you say that? Read it.

Mr. BUREAU: Isn't it the object to make an agreement with the municipalities?

Mr. MEIGHEN: The object of the amendment to this Bill is, but not the Order in Council.

Mr. MACKENZIE KING: The Order in Council provides:

> The Minister of Labour may establish and maintain offices at such points as he may deem necessary——

Mr. MEIGHEN: Hear, hear.

Mr. MACKENZIE KING (reading):

> —provided the municipality supply office space and equipment required.

Mr. MEIGHEN: That is not supplying any money to the municipality.

Mr. MACKENZIE KING: But that is exactly what was done. The money was not paid to the provinces but to the municipalities.

Mr. MEIGHEN: How do you make that out.

Mr. MACKENZIE KING: Can the minister point to anything in the record which will show that the money has gone to the provinces?

Mr. MEIGHEN: It does not go to either. The minister maintains the office. No money goes to the provinces or to the municipality under that order. The minister maintains the office, but he is not allowed to maintain it unless the municipality provides the office. The municipality does that out of its own funds, and if it does, then the minister maintains the office under the powers given by section 3 that I have just read.

Mr. MACKENZIE KING: If the minister, instead of trying to argue this matter on grounds that are indefensible, and trying to put things over the committee, would take the trouble to look at the Act he would not waste our time in the sort of casuistry he is resorting to. Section 2 of the Act provides as follows:

> In this Act and in any regulation made thereunder, unless the context otherwise requires— "employment office operated by any Provincial Government."

The whole Act relates to employment offices operated by Provincial Governments. The whole purpose of the Act, when it was passed, was to co-operate with Provincial Governments, and if the minister will take the trouble to read the debates that took place in Parliament at the time he will see that the ground on which the money was appropriated was that it was to be in co-operation with the provinces. Not one word was said as to assisting employment offices in different municipalities. If the minister's present interpretation is correct, why does he come to Parliament at the present time and ask for any amendment to the Act? What is the amendment for which he is asking? He is asking that we change the definition of "employment office" so that it shall mean, "employment office operated by any Provincial Government or any other employment office approved by the minister." What he is doing at the present time is asking Parliament to give power to do the thing that the Governor in Council has taken upon itself to do without the authority of Parliament. The only justification he has for the amendment is to be found in the circumstance that the law as originally drafted did not give the Governor in Council power to do what it has been doing with public funds.

Mr. MEIGHEN: I am so accustomed to being scolded by the leader of the Opposition that it really has very little effect on me now. I will make one more effort to render this clear to him; if I fail it will be on account of my limited powers of expression.

The present Bill is to enable the Governor in Council to pay moneys to municipalities; he could not do so under the old Act. I hope that is clear. Unless this Bill passes, the Governor in Council cannot use a municipality as formerly under the old Act he could use a province. Under the sections commencing with section 4 the minister could pay to a province half the cost of maintenance of employment offices maintained in the province; he could not pay that half to a municipality. Now then, it is clear that to attain the end desired there must be an amendment. But the leader of the Opposition said: "You went in before this amendment was passed and you paid moneys to municipalities." That I contradicted; I said we paid no moneys to any municipalities. Why does he say we did? The Order in Council—

Mr. MACKENZIE KING: You paid money for employment offices that were conducted by municipalities, not by the provincial authorities.

Mr. MEIGHEN: No. The Minister of Labour conducted them at the expense of the department. He was not allowed to do so unless the municipality supplied the office space and equipment. How would any money go to the municipality? Does the hon. member say that cheques were issued to the municipality? Employment offices were supported directly from the funds of the department. But I argue that it could be done under section 3, for the department there has power to aid and encourage organization. At all events whether that is so or not, the wording it seems to me is wide enough to cover it, and I apprehend that the minister, under the original Act constituting his department, has the power to establish employment offices and maintain them. I have not sent for the Act. But in any event he is acting here under Clause 3. The employment office that he maintains would necessarily from the context be his own employment office. In section 4 the wording is:

> Employment office maintained by the province to the support of which he contributes by issuing cheques to the province.

But he never issued cheques to the municipality; he maintained the office. He did not commence to maintain it unless the municipalities supplied the space and the equipment.

I have just had drawn to my attention the Appropriation Act of last year, and in the appropriation to the Department of Labour of $367,500 the following item, No. 243, appears:

> To supplement amount provided by statute 8 and 9, George V, Chapter 21, including $50,000 for the establishment and maintenance of employment offices in Prince Edward Island, New Brunswick and Nova Scotia, notwithstanding anything to the contrary in the said Act.

In addition to the powers under the War Measures Act and under the War Appropriation Act, here is definite authority.

Mr. MACKENZIE KING: What date is that?

Mr. MEIGHEN: Last year's Estimates.

Mr. MACKENZIE KING: Expiring on the 31st March, 1920?

Mr. MEIGHEN: Yes.

Mr. MACKENZIE KING: I am speaking about the Return laid on the table for the year ending March 31, 1919.

Mr. MEIGHEN: I presume the same clause would be found there.

Mr. MACKENZIE KING: No; that is just the whole point.

Mr. MEIGHEN: There was further power.

Mr. MACKENZIE KING: No, there was not.

Mr. MEIGHEN: Well, the War Appropriation Act was in full force, as the hon. gentleman knows, and we also have the Estimates there. It certainly could be done under the authority of the War Appropriation Act, and I would be rather surprised if there was not a vote similar to the one I have quoted in the Estimates of the year before.

Mr. MACKENZIE KING: Was there any agreement between the provinces of Prince Edward Island, Nova Scotia and New Brunswick and the Dominion in regard to employment offices in those provinces?

Mr .MEIGHEN: As to their establishment?

Mr. MACKENZIE KING: Yes.

Mr. MEIGHEN: I am not informed of any.

Mr. MACKENZIE KING: I think my hon. friend will find there was none. But section 6 of the Act provides:

> The payments hereinbefore authorized shall as to each province be conditional upon an agreement between the minister and the government of the province as to the terms, conditions and purposes within the meaning of this Act upon and for which the payments are to be made and applied, and upon such agreement being approved by the Governor in Council.

The point I am making is—there was no agreement between those provinces and the Dominion. This money could only be paid conditional upon that agreement existing, and since there was no such agreement the Governor in Council have used the moneys in an unauthorized way.

Mr. MEIGHEN: The hon. member is leader of the Opposition. No money was paid to the provinces because no agreement was made.

Mr. MACKENZIE KING: That is aside from the point altogether. Money was paid out, and it could only be paid out conditional on an agreement between the provinces and the Dominion.

Mr. MEIGHEN: The money could not be paid to the provinces except under this Act; but it could be paid for the establishment of offices directly under the minister, either under the War Appropriation Act in respect to the second clause, or under the Estimates, or under the powers establishing the Department of Labour. I have the Estimates here, but I have not yet got this matter traced for the year before. Certainly the Estimate for this year is very specific, and if the Estimate for the year before is the same, then there would be three authorities under which this could have been done. Whether the Estimate is specific or not, there are two authorities at least.

An hon. MEMBER: Carried.

Mr. MACKENZIE KING: No. I will not discuss that matter further. The clauses of the Act are plain, and any person who wishes to follow the matter up can do so and reach, I think, an accurate conclusion from what appears on Hansard.

In regard to the proposed amendment, it is suggested that the employment office, instead of being, as originally, an employment office operated by any Provincial Government, "shall be an employment office or any division of an employment office, operated by any Provincial Government, or any other employment office or division of an employment office approved by the minister." I think that is altogether too wide a power to give to the minister. There are all kinds of employment offices—offices connected with railway companies and steamship companies, and offices conducted by employment agencies for a thousand and one different purposes. The power which will be given to the minister under this clause would simply permit him to use public funds for a variety of purposes that possibly Parliament would not approve of. So long as the Act related to employment offices conducted by a province there would be some guarantee as to the standing of the office, but I certainly think this amendment goes too far. I hope the minister will agree with me that it would be a wise precaution—I do not want to deprive the minister of an opportunity of encouraging legitimate expansion—but it would be a wise precaution to make it subject to approval by the Governor in Council rather than leave the matter solely in the hands of the minister. Pressure may be brought to bear on the minister to assist various small offices here and there, and probably the minister himself would find it a wise precaution to have the section amended as I suggest.

Mr. MEIGHEN: I see the point of the leader of the Opposition. Although under clause 3 of the present Bill as I propose to move that it be amended, it is provided that before any employment office is assisted under the Act it must be apparent that the province has not established such an office and that it does not intend to do so, I have no doubt that the Minister of Labour will not object to the restriction that the leader of the Opposition suggests. If the committe is ready to accept it, I am willing that clause 1 be amended by substituting for the word "Minister" the words "Governor General in Council."

Amendment agreed to, and section as amended agreed to.

On section 2—powers of minister:

Mr. MEIGHEN: Just in this connection I think it worth while to observe that I really think Parliament goes too far in demanding the approval of the Governor in Council in details. It results in the clogging of the work of the Cabinet as a whole, and is, I think, in the detriment of the public interest. It is not that any minister has objection, but the inclination of Parliament is, I think, to go too far, not realizing the tremendous volume of matter that necessarily now comes before the Governor in Council for approval. However, I am not saying that with any desire to restrict the tendency in relation to this proposed Act.

Mr. MACKENZIE KING: No member of this House has a greater objection to Government by Order in Council than I have. I think that many matters should come before Parliament which are now dealt with by the Governor in Council. For the same reason I think that it is very wise to put some sort of check on or exercise some supervision over individual ministers by requiring the approval of the Governor in Council in regard to important matters. I agree that it should not be pushed too far, but when it comes to fixing penalities exceeding $100 and the like, it is very desirable that the Governor in Council should have a say as well as the minister.

Section agreed to.

On section 3—allotment of moneys appropriated:

Mr. MEIGHEN: When I read this section as it came from the Senate it seemed to me that it was not very well drafted; indeed, that it did not reach the end that was sought. I had it re-drafted as follows, and move that this be substituted for clause 3:

3. Section five of the said Act is amended by adding thereto the following subsection:

(2) Notwithstanding anything in subsection one of this section the minister may in any year set aside from the moneys allotted to a province such sum as may seem desirable for the maintenance of employment offices, where none are operated by the Provincial Government, provided that, before any such employment office is assisted under this Act the minister shall be satisfied that the Provincial Government concerned does not propose to establish employment offices in accordance with this Act within a reasonable time, and provided further that the sum so set aside shall be allotted to such employment offices, but in no case shall the allotment exceed one half of the amount expended for the maintenance of such offices.

Amendment agreed to, and section as amended agreed to.

Bill reported, read the third time and passed.

## THE STAFF OF THE HOUSE OF COMMONS—ORGANIZATION.

The House again in committee to consider the proposed organization of the staff of the House of Commons, as submitted to the House by His Honour the Speaker on the thirty-first day of March last, resumed from April 8, Mr. Boivin in the Chair.

Mr. SPEAKER: When the committee rose, the proposed organization as it affected the Journals branch of the House had not met with the approval of hon. members. Without wishing to withdraw the reasons which I gave at that time as being, in my judgment, sound reasons for the adoption of the organization as then proposed, I feel that in respect to a matter of this kind, which concerns the internal domestic arrangement and the proper working of the staff of the House of Commons, should be if not unanimous agreement more or less unanimity on the part of hon. members as to what the organization scheme ought to effect. For that reason I think, it might perhaps, be better to revert to the practice which obtained for some few years at least prior to the present year, and divide the Journals branch into two sections. I therefore, move:

That clause 'Journals Branch' be amended as follows: That the whole clause be stricken out and the following be substituted therefor:

Journals Branch.

(a) Chief of English Journals.
Assistant Chief of English Journals.
Four officials.
Sessional assistance as required.

(b) Chief of French Journals.
Assistant Chief of French Journals.
Sessional assistance as required.

Amendment agreed to.

Clause as amended agreed to.

Hansard Branch—Editor of Debates and Chief of Reporting Branch, Associate Editor of Debates and Reporter, nine Parliamentary reporters, one assistant Parliamentary reporter and senior reporter of Committees, three assistant Parliamentary reporters, sessional assistance as required.

Mr. SPEAKER: In connection with this clause, without in any way altering the arrangement as proposed, but for the purpose of making this clearer, I move:

That the words "nine parliamentary reporters" be stricken out and the following be substituted therefor:
'Seven parliamentary reporters (English).
Two parliamentary reporters (French).'

Mr. PROULX: Has Mr. Desjardins, a former reporter, been superannuated? The other day I saw in the Gazette an advertisement for a French reporter to replace Mr. Desjardins. I thought he had been replaced two years ago.

Mr. SPEAKER: That refers to the retirement of Mr. Marceau, and not Mr. Desjardins.

Amendment agreed to.

Clause as amended agreed to.

House Translation Branch—Chief of House Translation Branch:
(a) law and bluebooks; assistant chief translator,—law; assistant chief translator—bluebooks; 17 officials.
(b) Journals and Orders; assistant chief translator—journals and orders; one official, sessional assistance as required.

Mr. SPEAKER: In connection with this clause, I move:

That the letter "a" in brackets in front of the word "law" in the second line, the letter "b" in brackets, and the following words be stricken out:
Journals and Orders.
Assistant chief translator.
Journals and orders.
One official.
and that the word "sixteen" be substituted for the word "seventeen."

This amendment arises in consequence of a motion passed in respect to the division of the Journals Branch, because it will be borne in mind that it was the intention, under the organization as originally submitted, that the French Journals should come under the House Translation Branch. The reason for the reduction from seventeen to sixteen is that I will subsequently propose an amendment which will enable the transfer of one member of this staff to the Hansard Translation Staff.

Amendment agreed to.

Clause as amended agreed to.

Hansard Translation Branch—chief of Hansard translation branch, twelve officials, sessional assistance as required.

Mr. SPEAKER: It is felt desirable on the part of hon. members representing a number of constituencies in Quebec that the words "Parliamentary Translators" should be used instead of the words "twelve officials." It is also felt that in order better to take care of the translation work of the Hansard branch, one more official should be available, not only to do the work from day to day, but to take the place of men who, from time to time may be ill during the stress of work of the session. I therefore move:

That the words "twelve officials" be stricken out and the following be substituted therefor: "thirteen parliamentary translators."

I might point out to the committee that this will not involve any additional expense to the public treasury inasmuch as it is proposed to transfer one man from the House translation branch to the Hansard translation branch. It will be borne in mind in that connection that the work of the House translation branch has been very much reduced in recent years owing to the great reduction in the size of the blue-books and other Parliamentary documents which are translated.

Mr. BUREAU: Do I understand that this man who is now translating various documents of the House during the session will be employed by Hansard?

Mr. SPEAKER: He will be transferred and become a member of the Hansard translation branch.

Mr. BUREAU: And receive the same privileges and salary as the other House translators do?

Mr. SPEAKER: Yes.

Amendment agreed to.

Clause as amended agreed to.

Miscellaneous Branch—(a) accountant's division: accountant and chief of branch, assistant accountant; (b) postal division, postmaster, assistant postmaster, one official. (c) stationery division: chief of stationery division, one official. (d) stenographic service division: chief of stenographic service division, such stenographic and clerical staff as required each session. (e) reading room division; curator of reading room, asistant curator of reading room, sessional assistance as required.

Mr. SPEAKER: There is one amendment that I desire to move here, and that is that at the bottom of page 109 I should like the words "one official" to be altered to "two officials." The reason for that is this, that there was attached to the staff of the post office, under an Act passed some two years ago, an old official of the House who for many years faithfully served the late Sir Wilfrid Laurier. He was transferred to that branch of the House, but in the list of officials in the proposed scheme of reclassification, provision was not made for his being allocated to that branch of the service. I, therefore, move:

That the words "one official" be stricken out and the words "two officials" be substituted therefor.

This involves no increased expense and no new appointment; it makes regular an appointment which already existed.

Amendment agreed to.

Clause as amended agreed to.

Organization of the Department of the Serjeant-at-Arms, House of Commons—the Serjeant-at-Arms, Deupty Serjeant-at-Arms—filled by an official of the House during session in addition to his other duties; secretary to the Serjeant-at-Arms, chief messenger and housekeeper, assistant to chief messenger and housekeeper, steward joint restaurant, joint restaurant staff as required, two Parliamentary doorkeepers, sessional doorkeepers as required, chief page, seven confidential messengers, two Parliamentary messengers, two sesional bookkeepers, 38 sessional messengers, temporary sessional messengers as required, two foremen carpenters, three night watchmen, electrician (vacancy), supervisor of char service, Parliament Building; assistant supervision of char service: 15 permanent char women, or as required; temporary sessional char women as required, 20 sessional pages, or as required; temporary sessional servants as required.

Mr. BUREAU: I see that it states that the office of Deputy Sergeant-at-Arms is to be filled by an official of the House during sessions in addition to his other duties. Is he not a permanent official of the House, or do you take a man from amongst the officers of the House to fill this position?

Mr. SPEAKER: A few years ago there was a permanent official whose sole duties were to act as Deputy Sergeant-at-Arms; but the position has been filled, I think, to the satisfaction of the House, by the gentleman who has been the incumbent of the office for some time,—

Mr. BUREAU: I am not criticising; I am simply asking if this is the same man.

Mr. SPEAKER: There is no change at all, but I may point out to the committee that the fact that this position is not made permanent means a very considerable saving to the public treasury with no loss to the efficiency of the service.

[Mr. Speaker.]

Mr. BUREAU: With reference to the nomenclature of the organization, I find at the top of page 109 under the heading "Officers of the House"; Clerk of the House, Serjeant-at-Arms, Assistant Clerk, Deputy Serjeant-at-Arms. Then on the next page there is the "Organization of the Department of the Serjeant-at-Arms, House of Commons," giving the whole list of officials. Has not the Clerk of the House also got a staff, Assistant Clerk, and so on? Are there not other departments besides the Department of the Sergeant-at-Arms?

Mr. SPEAKER: There is absolutely no change here from the arrangement heretofore existing. The first group on the top of page 109 are the chief officers of the House. There has always been a Department of the Serjeant-at-Arms, under whom are the Deputy Serjeant-at-Arms and the other officials mentioned on page 110.

Chief Messenger and Housekeeper:

Mr. SPEAKER: I beg to move to insert the word "Parliamentary" after the word "Chief." The Serjeant-at-Arms has pointed out to me that the idea underlying this proposed amendment is to make our wording conform with that of the Senate's organization, which has already been approved by the Senate.

Mr. PROULX: I thought titles were abolished last year.

Amendment agreed to.

Assistant to Chief Messenger and Housekeeper.

Mr. SPEAKER: I beg to move to amend this line to read "Assistant Chief Parliamentary Messenger."

Amendment agreed to.

Steward Joint Restaurant.

Mr. BELAND: I understand that the restaurant is under the supervision and direction of a Joint Committee of the House and Senate. Are the conclusions arrived at by that committee subject to revision, modification and approval by the House, or is the committee independent of control?

Mr. SPEAKER: Without having gone into the matter, and without wishing to give a final opinion, it seems to me beyond question that the work of any committee of the House is subject to the approval of the House.

Mr. BELAND: I do not remember that any report from this committee has been submitted to the House for approval or rejection or modification. Has such a report been made?

Mr. SPEAKER: I have to resort to my memory. So far as I can recall, I do not think a report of the Parliamentary Restaurant Committee has at any time been submitted to the House.

Mr. BELAND: I asked the question because some very important decisions have been reached by this committee, some of which, at all events, are not entirely satisfactory to some of the members of this House. I have often wondered what opportunity we might have for offering criticism and submitting proposed modifications of the conclusions reached by that committee.

Mr. SPEAKER: I think the opportunity could be very easily afforded by having a report of the committee submitted to the House, and then there could be a discussion on a motion for concurrence in the report. I do not think there would be any difficulty in having that done. I should point out that while nominally the Restaurant Committee ought to be presided over by the Speaker, I found that in practice it did not work out very well. It might not be amiss for me to say that while some two years ago I did endeavour to act as chairman of the committee, sometimes when I was perhaps worried over some constitutional question or some matter of emergency in the House, I would be approached by a member complaining of the quality of the butter or the age of the meat being served. I found it impossible for me to give proper attention to the work of that committee, and I therefore asked that another member be appointed chairman, and for the last year and a half I have not been present at any of the meetings of the committee, and I have not been cognizant of or had anything to do with its workings. It is a matter which should be peculiarly in the hands of the members of the House itself. I mention this merely by way of explanation, so that hon. members will realize that I have no accurate or intimate knowledge of the detailed workings of the committee.

Mr. BUREAU: Do I understand from the statement made by Mr. Speaker that an opportunity will be given to discuss the conclusions arrived at by the Restaurant Committee? As my hon. friend (Mr. Beland) has said, there is a lot of dissatisfaction, not so much as to the food, but as to the rulings of the committee and the exclusiveness which is being attached to the restaurant. I should like to have an opportunity of voicing my views on this subject in the House. If a report from the committee is not submitted, I intend to bring the matter up on a motion for Supply.

Mr. SPEAKER: I think hon. members will have ample opportunity to discuss the matter fully, because not only is there an item in the Supplementary Estimates for the Parliamentary restaurant, but if it is thought advisable, a report could be submitted by the committee, and a motion made for its adoption would afford a like opportunity.

Mr. BELAND: I think it would be preferable that we should have the report as soon as possible because the Supplementary Estimates may be submitted for consideration during the very last hours of the session.

Mr. SPEAKER: I shall direct the attention of the chairman of the committee to the discussion here to-day and to the desirability of having a report ready to be submitted to the House.

Mr. LEMIEUX: Who is the chairman?

Mr. SPEAKER: The hon. member for South Perth (Mr. Steele).

Mr. McKENZIE: Money has to be voted for the Parliamentary restaurant at some stage or another. Which minister has charge of that vote?

Mr. SPEAKER: It has been the practice for the leader of the House to take charge of the Estimates for the restaurant.

Mr. BUREAU: Then we must hold him responsible for the conduct of this committee.

Mr. SPEAKER: It does seem to me highly desirable that the members of the committee ought to be responsible for the administration of the affairs of the restaurant, subject, of course, to the approval of the House. It is a matter peculiarly concerning the domestic housekeeping of the House of Commons itself and it is one which ought to remain within the hands of the House and of hon. members. It does not properly belong to any department of the Government.

Mr. McKENZIE: I quite agree with what the Speaker says but so far we have had no procedure of this House by which we have

recognized the chairman of any committee. The committee reports to somebody and if the report is made it falls under the direction and control of some department of the Government. While it is well to have a committee responsible to the House it would be a matter of convenience and of better procedure if that committee were regarded as being under the supervision of some minister so that we would have the report presented to the House in the regular way.

Mr. BUREAU: The House should control it.

Mr. McKENZIE: It would be better to have the report presented by a minister or the Speaker, and make the procedure a permanent part of the machinery of the House. It is not like the ordinary reports of committees. This restaurant is likely to continue to be a part of the equipment of the House of Commons. It might be well to understand that it comes under the control of some minister. I have a recollection that when Dr. Pugsley was Minister of Public Works he used to exercise some control over the restaurant as being a part of the Public Works connected with the building. I am not very strong on that point but I think we used to look to the Minister of Public Works as the man who had control of the Public Works and consequently control of the restaurant. I am not sure but that is my recollection.

Mr. SPEAKER: I think the recollection of the hon. gentleman is hardly accurate on that point. One of the things that Parliament has always been more or less sensitive about is that the control of this building shall rest entirely with itself. The committee dealing with this matter is a joint committee of the House of Commons and the Senate, the same as the Joint Parliamentary Committee on Printing. As a matter of policy, and in order to procure the best service, it does seem to me that it would be wise for hon. members to take a keen and active interest in the welfare of the commiittee and in the proper operation of the restaurant. It could not only be a comfort to members of the House and of the Senate if properly carried on, but it could go a very long distance towards making it convenient for hon. members to remain on duty in the House for many, and long hours and sometimes very late hours.

Mr. McMASTER: Hear, hear.

Mr. SPEAKER: One of my purposes in not remaining as chairman of the committee was that hon. members should feel the responsibility resting upon themselves to try and have the restaurant more efficiently conducted.

Mr. BUREAU: I would suggest that the report made by the committee should be submitted to the House before it is finally acted upon, posted up, and becomes law. If that were done there would not be so much dissatisfaction. The restaurant of the House of Commons ought to be a credit to the country and if it costs a few dollars more let members put up the price and give them a chance to fill up if they feel like it. It is not a question of economising or saving a few dollars. We are going to have a fine large room, the view is superb, but what is the use of bringing a stranger there if they are going to give him something that he cannot eat.

Mr. BELAND: Let us pay for the scenery.

Mr. BUREAU: Let us pay for something that we can put inside of us. If we are going to use it as a smoking room, well and good but if it is going to be so that no hotel table in Canada can equal that of the Parliamentary restaurant then let them charge for it and let us pay.

Mr. SPEAKER: I think that perhaps we may have the machinery and the working of the restaurant perfected by another session. The proposal of the hon. gentleman that there should be an amendment of the rules of the House which would call for a report of the committee on the restaurant being submitted at a certain stage of the proceedings of the House in order that hon. members might discuss it properly is worthy of consideration.

Mr. BUREAU: Let us have the amendment.

Mr. PROULX: I do not share the opinion of my hon. friend from Three Rivers. If prices are increased it will be another reason for members to advance for asking for an increased indemnity. I think it would be cheaper for the country to keep to the present indemnity and not increase the prices in the restaurant.

Mr. BUREAU: I am glad I do not share your opinion. I am proud of it. If you think that the indemnity is enough for you then you are welcome to it. It is not enough for me.

Mr. PROULX: I do not want to discuss at any greater length the question of whether at any greater length the question of

whether the indemnity is enough or not but if we are imposing new taxes on the country we should practise what we preach

Some hon. MEMBERS: Order.

Mr. BUREAU: We are discussing the restaurant.

Item concurred in.

Two parliamentary doorkeepers.

Mr. BUREAU: Provided these messengers let the members of the press into the hall, I am for them; otherwise we do not want them.

Item concurred in.

7 confidential messengers.

Mr. BUREAU: Whose messengers are these and what do they do?

Mr. SPEAKER: I move that the word "seven" be struck out and the word "four" substituted. These messengers are attached to the offices of the Prime Minister, the leader of the Opposition, the Speaker, and the Clerk of the House.

Mr. BUREAU: What about us? Surely there ought to be one for No. 16 and one for the room of the Opposition.

Mr. FIELDING: Does the use of the word "confidential" imply that if they are not confidential messengers you cannot have any confidence in them? I think the word "confidential" is rather undignified. It has a strange look.

Mr. SPEAKER: I am informed by the Sergeant at Arms that this word is used in consequence of the verbiage employed by the Civil Service Commission in their classification.

Mr. VIEN: What is the number of confidential messengers now employed?

Mr. SPEAKER: There are none now but the messengers at present attached to the officers whom I have named, and the proposed wording is simply to conform to the classification adopted by the Civil Service Commission.

Mr. FIELDING: Is the object to give them a higher salary by attaching the word "confidential" to them? I have great respect for the Civil Service Commission but I think that they, like all others, should be obliged to give a reason for the faith that is in them. I cannot see any reason why one messenger should be called confidential and another not.

Mr. SPEAKER: It gives them higher pay. It applies if they are in a class where they would receive a larger remuneration than the ordinary messenger.

Mr. VIEN: The number is reduced to four now, are you going to dismiss three other employees?

Mr. SPEAKER: There are no others. This is a skeleton organization to fit in with the Civil Service classification.

Mr. BUREAU: May I ask what is the difference between a confidential messenger, a parliamentary messenger, and a sessional messenger?

Mr. SPEAKER: I have already explained that, for example, a confidential messenger is provided for the Prime Minister, and he remains attached to that office.

Mr. BUREAU: And that man gets $200 more?

Mr. SPEAKER: Yes, $200 more.

Mr. BUREAU: What do the parliamentary messengers get?

Mr. SPEAKER: They perform the same duties that parliamentary messengers have performed since Confederation.

Mr. BUREAU: There are only two of them.

Mr. SPEAKER: I propose to move an amendment that the number be increased to seven.

Mr. BUREAU: There are 38 sessional messengers.

Mr. SPEAKER: The number has been precisely the same ever since Confederation. There is no change whatsoever in that regard.

Mr. FIELDING: I do not wish to restrict the appointment of any messengers that may be necessary, but the Prime Minister for example, has his own messenger in his own department (and so has each of the ministers) who is a "confidential" messenger, although I do not like the use of the term. However, I do not object to the number of messengers employed if the Speaker considers they are necessary.

Mr. SPEAKER: I am not in love with the phraseology employed, but doubtless it has to do with the nature of their employment. Ever since Confederation it has been the custom to allocate a confidential messenger to the leader of the Government, the leader of the Opposition, the Speaker, and the Clerk. In the case of the Prime Minister there probably also is a messenger

in his department; but it has never been the practice for the departmental messenger to come and do duty in the House of Commons as well. There are good reasons for that as hon. gentlemen can well see. While the Prime Minister is at the House his office in the department must be left open and various duties there necessitate the attendance of a messenger.

Mr. McMASTER: I wish to make a suggestion although it may not be perfectly in order. Some of the pages have not been in bed at all to-day, and therefore the Speaker or the Serjeant-at-Arms should direct that they be sent home. Temporarily, in their absence, we can minister to our own necessities.

Mr. SPEAKER: The Serjeant-at-Arms informs me that the younger pages are sent home not later than 9.30 o'clock each evening. Last evening four of the older pages were on duty and to-day they had ample opportunity to rest.

Mr. McMASTER: The House adjourned this morning at half past six, and the pages had to report for duty before it reassembled. I think the little lads should be in bed. I say that as the father of a family.

Mr. SPEAKER: I move that the number of two be changed to seven in accordance with the explanation I gave a short time ago.

Mr. ANDERSON: I would like to know what action is being taken in connection with the messengers in the restaurant.

Mr. SPEAKER: This service is under the Serjeant-at-Arms and has nothing whatever to do with the restaurant.

Mr. ANDERSON: May I ask why the number of messengers should be increased from two to seven?

Mr. SPEAKER: "Two" was a clerical error. Provision was originally made for seven confidential messengers and it is now reduced to four.

ELECTRICIAN (VACANCY).

Mr. BUREAU: Who is to fill that vacancy?

Mr. SPEAKER: The Serjeant-at-Arms informs me that it may not be necessary to fill this vacancy. In view of the complicated nature of the electrical equipment of the House it is considered that it may be better ot continue its operation in the hands of the expert who is already in charge. The position may therefore remain vacant unless some occasion arises for filling it.

SUPERVISOR OF CHAR SERVICE—PARLIAMENT BUILDINGS.

Mr. BUREAU: Is this position held by a lady?

Mr. SPEAKER: No, it is held by a man, Mr. Letourneau.

Mr. McMASTER: I do not know whether I am in order—I think I am in this case—but in connection with the pages, ever since I entered the House I have not liked the spectacle which is always presented as the evening grows late, of little boys being on duty who certainly should be in bed. I do not know whether the Serjeant-at-Arms, or whoever is responsible, sees that the pages get their schooling properly, but I do not think that they should be on duty after ten o'clock. It is not proper for a country which has enacted factory legislation forbidding night work to juveniles, to have juveniles doing night work in our principal legislative hall, and I would like to express the view that no boys under sixteen at least should be on duty after ten o'clock at night. During the earlier hours we can avail ourselves of the services of the pages, which we highly appreciate, but after ten o'clock at night we could deliver our own notes and do for ourselves whatever else we require. I would strongly impress my own personal view—and I would imagine the view of most members of the House if they ever thought about it—that it is very unfitting to have little lads of sixteen and under working until midnight, and even later, and then going home in the dark. It cannot be a good thing for the boys themselves, and I am strongly of the opinion that the internal economy of this House should be so arranged that no children of sixteen and under would be on duty after ten o'clock at night.

Mr. SPEAKER: I have no fault to find with the remarks of the hon. member except that it involves laying hands upon a time-honoured institution more or less reverenced, and there is always some good reason why a system which has been in vogue for over fifty years should continue. It is true that on occasions, when the House sits late at night there is, perhaps, hardship for the pages, or at least a few of them. But this matter was gone over very carefully some two years ago by Dr. Putman, Supervisor of Schools in the city, who had some such idea as has been expressed by the hon. member, and after the most care-

ful investigation he was satisfied that the system was as good as it could possibly be in the interests of the boys themselves, bearing in mind that all the younger boys leave at half-past nine.

Mr. McMASTER: What is the maximum age?

Mr. SPEAKER: Sixteen years. Perhaps it might be worth while to point out to hon. gentlemen that these boys have an excellent opportunity to grow up in the public service, and, indeed, many of them have reached the highest positions in the service. One of the highest officials of this House, a gentleman very much respected by all the members as well as by his brother officers, started as a page boy; I refer to the Acting Deputy Serjeant-at-Arms. Another gentleman although comparatively young is to-day in receipt of a salary of $25,000 a year from a large industrial corporation, and he started as a page boy. The Minister of Justice informs me that another of our former page boys is now a bishop. It might perhaps be better to change the system and to engage men of mature years. I may say quite frankly that while the boys on the whole behave themselves remarkably well, still they are young and have the characteristics of youth, and it is not always easy for the officials of the House to get the very best service from them. But after all this is purely a question of policy for the House to determine, and so far as I am concerned I shall be only too happy to carry into effect any change which the House in its wisdom may deem to be desirable.

Mr. McMASTER: Mr. Chairman, I do not want to take the ground that we should not employ page boys; what I want is to give them a chance to go to bed earlier.

Mr. ROBB: What about the girls in the gallery?

Mr. McMASTER: They are there by choice, and they are rewarded by listening to the eloquence of the hon. member for Huntingdon and other hon. gentlemen. I would draw the Speaker's attention to the fact that the argument that this is a time-honoured institution is not a very strong one, because 50 or 60 years ago the public looked upon child labour with a far more indulgent eye than it is regarded to-day. I am very glad to learn that the Inspector of Schools is satisfied that the boys' education does not suffer through the service which they render to this House, and I can quite understand that for a bright lad work in this House may have a very considerable educational value. But the point I was endeavouring to make is one which I think will recommend itself to every hon. member,—that these boys of 12, 13, 14 and 15 year of age should be in their beds by ten o'clock at night. It is true the younger boys get away at half-past nine, which is quite proper, but very often a boy of 15, large perhaps for his age, requires just as much sleep as a boy of 12 or 13. I know the sight of these boys here late at night struck me as improper when I first became a member of this House. But we get used to these things and after a time they cease to have any effect upon us —"we first condole, then pity, then embrace." But I think the ground I take is sound, and that most members of this House, if these little fellows were their own sons, would not wish to see them out of their beds after ten o'clock at night.

Mr. SPEAKER: There is one way of finding out whether our system can be improved, and I intend to instruct the Serjeant-at-Arms to have all the page boys retire at ten o'clock each night until such time as the arrangement does not work satisfactorily to hon. members.

Resolution reported as amended, and read the first time.

On motion of Right Hon. Mr. Doherty for the second reading:

Mr. MACKENZIE KING: Before the motion is put, Mr. Speaker, I should like to point out that last night the right hon. the Prime Minister made no reference whatever to the subject under consideration in stating the order of business for to-day. I do not wish to in any way delay concurrence, but if there be some hon. member not now present who might wish to ask questions on the resolution I think he should not be denied that privilege.

Mr. SPEAKER: He would be able to do so on the Estimates.

Motion agreed to and resolution read the second time.

## CANADA SHIPPING ACT (Sick and Distressed Mariners) AMENDMENT.

On motion of Hon. N. W. Rowell that Bill No. 127 to amend the Canada Shipping Act (Sick and Distressed Mariners) be read a second time:

Mr. H. H. STEVENS (Vancouver Centre): Mr. Speaker, I regret to again have to bring to the attention of the minister in

charge of this Bill its objectionable features. On a former occasion I spoke on the matter, and I then hoped that the minister might see his way clear to refrain from pressing this measure through, for I have received a large number of objections from Boards of Trade and other organizations and feel it is my duty to very strongly object to its passage.

First of all I would like to suggest to the minister that perhaps it would be a good idea for him to re-commit the Bill to the consideration of his colleagues and see if it would not be possible to carry on this work as it has been conducted in the past. I might point out to the House that the care of sick and distressed mariners has been attended to by the Marine and Fisheries Department ever since Confederation at a charge of one and a half cents a ton on shipping. Now it is proposed to increase that tax to two cents a ton, and to transfer the clerks from one department and create a new branch in another department.

When I was speaking upon this matter on a former occasion the minister replied that the figures I submitted were inaccurate. He said they did not include the cost of administration, and that if this was included it would be found that the work had been carried on at a loss.

Now, with the permission of the House, I am going to give some figures showing that under the 1½ cent tax there has been constantly a surplus and that it is quite unnecessary to increase the tax. I have the whole list before me from Confederation down to 1917, as follows:

| For the year ending | Receipts. | Expenditure. |
|---|---|---|
| 1869 | $31,353 78 | $26,987 64 |
| 1870 | 31,410 46 | 27,029 34 |
| 1871 | 29,683 41 | 28,971 22 |
| 1872 | 34,911 64 | 34,947 60 |
| 1873 | 37,136 10 | 41,016 43 |
| 1874 | 41,500 16 | 59,778 90 |
| 1875 | 37,801 46 | 50,684 75 |
| 1876 | 41,287 66 | 48,828 49 |
| 1877 | 43,739 21 | 51,647 94 |
| 1878 | 44,665 07 | 43,780 90 |
| 1879 | 37,779 57 | 42,729 36 |
| 1880 | 42,523 20 | 42,160 91 |
| 1881 | 49,779 72 | 40,667 52 |
| 1882 | 45,951 47 | 39,359 11 |
| 1883 | 45,573 42 | 36,249 65 |
| 1884 | 48,667 07 | 39,553 58 |
| 1885 | 39,068 39 | 44,501 57 |
| 1886 | 40,848 05 | 50,377 62 |
| 1887 | 42,334 92 | 37,447 35 |
| 1888 | 41,669 64 | 36,447 85 |
| 1889 | 39,306 29 | 41,320 59 |
| 1890 | 47,881 75 | 41,729 11 |
| 1891 | 43,829 68 | 35,155 12 |
| 1892 | 45,381 92 | 33,498 33 |
| 1893 | 46,190 69 | 35,052 37 |
| 1894 | 49,105 40 | 38,403 94 |
| 1895 | 42,815 74 | 38,332 55 |
| 1896 | 45,751 61 | 36,683 36 |
| 1897 | 54,358 10 | 35,931 19 |
| 1898 | 54,552 81 | 34,526 83 |
| 1899 | 57,365 79 | 37,353 29 |
| 1900 | 59,971 84 | 32,743 30 |
| 1901 | 59,783 34 | 34,944 93 |
| 1902 | 65,853 83 | 51,827 12 |
| 1903 | 64,851 55 | 48,151 48 |
| 1904 | 61,778 29 | 50,801 78 |
| 1905 | 58,372 34 | 51,000 18 |
| 1906 | 60,183 90 | 50,120 42 |
| 1907 | 44,704 59 | 37,362 11 |
| 1908 | 69,364 45 | 59,957 92 |
| 1909 | 53,732 31 | 66,349 26 |
| 1910 | 55,567 41 | 54,859 50 |
| 1911 | 60,637 11 | 54,779 27 |
| 1912 | 63,663 41 | 52,172 75 |
| 1913 | 70,540 52 | 54,294 71 |
| 1914 | 72,602 43 | 65,397 85 |
| 1915 | 72,663 80 | 64,950 36 |
| 1916 | 76,993 74 | 61,537 41 |
| 1917 | 63,635 70 | 51,623 89 |
| | $2,469,124 74 | $2,174,128 66 |
| Surplus | | 294,996 08 |
| | $2,469,124 74 | $2,469,124 74 |

For 1918-19 there was a loss, on account of the influenza epidemic, of $6,000. I am told that last year there was a surplus of $8,000, so that these figures are substantially correct down to the present time. In other words, we have a surplus under the present rate of taxation of about $300,000.

The minister stated to the House that I was inaccurate in the statement I made the other day referring to these figures, and pointed out that the cost of administration had not been deducted. Well, I find that the administrative staff consists of a gentleman named Doctor Godin—I do not know the gentleman—who has a stenographer and one clerk. These three officials, who administer the fund in Ottawa, have been transferred to the Health Department. It is not reasonable to assume that this small staff, which has successfully administered the fund up to the present time, should absorb the whole of this $300,000 surplus. The point I am making is simply this, and I think the House ought to take cognizance of it: that the 1½ cent tonnage tax has been ample in every year except one or two odd years—certainly it has been ample over the whole period—to cover the administration of this fund from Confederation down to the present time. Therefore, Sir, I protest against this measure providing for an increase of funds as being absolutely unnecessary and uncalled for.

My second objection to it is that we are creating in a new department a new branch. You, Mr. Speaker, have seen as I have

that when a new branch is started almost the first thing done is to increase the number of officials and extend the expenditures. What we are going to do is, without question, to increase the expeditures in connection with the administration of this fund; that, I say, is unnecessary and undesirable.

Now, I wish to turn to another phase of the question, and this, I think, is the most significant point of all; apparently it has not been within the knowledge of the minister. I want to ask the minister not to argue this point away, because it is an important one. I ask him to let this matter stand over for another year until he has had an opportunity of really acquainting himself with the business aspect of it, the shipping side of the question, not merely the administrative side, because I have shown that that is a very simple matter. Now, the other phase to which I wish to refer is this: the effect of this tax in the past as 1½ cents has been to work against the interests of our shipping, and if it is increased to 2 cents the situation is aggravated. I go so far, Mr. Speaker, as to ask the Government to consider the advisability of entirely withdrawing the tax and handling the sick mariners on the same basis as they are handled in Great Britain. But I wish to direct the attention of the House to the effect of this tax on the cost of shipping. It not only means a direct charge of 1½ cents— two cents, if the amount is now increased—but it means a retaliatory charge on the part of, say, the United States. In this connection I wish to place on Hansard very briefly a statement showing how that works out, because the matter is a very important one as affecting the cost of our shipping:

> The United States law provides that upon satisfactory proof being given to the President by any Government of any foreign country, that no discriminating duties of tonnage or imposts are imposed or levied in the ports of such nation upon vessels wholly belonging to citizens of the United States, the President may issue a proclamation declaring that the foreign discriminating duties of tonnage and impost within the United States are suspended and discontinued, so far as respects the vessels of such foreign nation.

Now, this refers to a tax of 6 cents a ton imposed by the American Government against our shipping and against the shipping of other countries which impose similar charges. So that our shipping is compelled not only to pay 1½ cents, or the proposed 2 cents, but also 6 cents when they go into American ports.

To carry the point on a little further, I anticipate the reply from the minister that this law is not applied to the whole of Canada by saying that I admit that. I want to give a list of the countries the shipping of which is now exempt upon entering American ports and to show that we too can be exempt if we remove this particular impost or tax, because it was the cause of the application of the 6 cents tonnage tax by the United States against Canadian shipping. The countries exempt in United States ports are the following:

Certain ports in the Dutch West Indies; Copenhagen; province of Ontario; Colon and Panama; Greytown and Boco de Toro; Nicaragua; Montserrat, Gaudeloupe and Granada in the West Indies; Spain; Germany.

Here we have the peculiar situation that ships from one province in Canada, namely, Ontario, can go into ports in the United States free from this 6 cents tax, while shipping from other provinces, including Quebec, British Columbia, and the Maritime Provinces, must pay a 6 cent tax when entering American ports, simply because of this impost of 1½ cents on account of sick mariners' dues. I protest, therefore, against this tax in that it is increasing the cost of shipping to Canadian producers.

I object to the principle of this proposal because it includes certain provinces and excludes others. I see no reason in the world why it should apply to some of the provinces and not to others. Certainly if the Government insist upon the principle they should apply it alike to all the provinces in which there is any shipping. I have already referred to the method employed by the British Government. The British Government, instead of imposing this tax, gives to ship owners, under the terms and provisions of the Merchants Shipping Act, certain instructions which they must carry out. I will read one or two by way of illustration and to make clear my point to which I shall proceed in a moment. Clause 82 of the Merchants Shipping Act states:

> The master should pay the expenses of removal, subsistence, medical advice and medicine until the seaman returns to the ship, or until the officer endorses the agreement with a certificate that he is fit or unable to proceed on the voyage.

It further states:

> The officer will request hospital authorities to inform him within twenty-four hours of the admittance into hospital of any seaman from a British ship.

And so forth. There are many other clauses, all of which show that the Board

of Trade of Great Britain care for their mariners just as we look after the interest of mariners in this country, but they look after them at the expense of the owners of the ships from which the mariners are taken. There is this matter which has escaped the attention of the minister and the Government. All these years we have been collecting this tax from all ships, including British ships which come into our ports, although there is a law whereby British ships are compelled to take care of their own crews. Referring now exclusively to British shipping, I say that this country is taking care of sailors of British ships although those sailors are already provided for by the Merchants Shipping Act under the control of the Board of Trade of Great Britain. That is another argument against the tax and a positive argument against an increase in the tax. I do not wish to delay the House; but for the reasons I have stated, I am going to ask the minister again, or as he is not listening very attentively to what I am saying, I will ask the Prime Minister (Sir Robert Borden), who is in his seat, if he will give this matter serious consideration. This is a serious matter as regards shipping generally; the increase in taxation will effect shipping considerably. The point I desire to make above all others is this, that the fee at the present time is more than adequate, and the increase in the fee will simply go into increasing useless machinery for handling and administering the matter. This matter cannot be overlooked and allowed to pass without strong protest. I presume it is regarded as a small matter by hon. members who do not thoroughly understand it; but the matter is of importance to shipping and shippers, because after all the cost of our ports reflects itself upon the imports and exports and upon those who are handling them. I wish to summarize my objections under these headings: first, it will increase the cost to shipping without a vestage of justification; second, since Confederation there has been a steady and substantial surplus making absolutely unnecessary any increase in the fee; third, it will increase the staff in Ottawa and the cost of administration; fourth, it is unfair, because it does not apply to all provinces alike, nor to all shipping; fifth, it permits of a particularly favourable treatment of ships coming from one province of Canada to ports of the United States, whereas ships coming from other provinces are discriminated against to the extent of six cents a ton. For that reason, I am going to ask the minister if he will stay this Bill for a time and give it further consideration. It will do no harm if he lets it rest for a year. I would suggest that he advise himself fully by consultation with the various boards of trade and shipping interests of the country as to its effect, and then if he still thinks it is necessary, he can let it go through the House and to a special committee in a manner similar to that in which we treat railway Bills and other Bills of importance to business concerns.



Hon. N. W. ROWELL (President of the Council): Mr. Speaker—

Mr. SPEAKER: Before the minister exercises his right of reply, I wish to direct the attention of other hon. members to the circumstance that if he does so, the debate will be closed.

Mr. ROWELL: The matters raised by my hon. friend were discussed at some length when the Resolution upon which this Bill is founded was in committee. On that occasion my hon. friend brought these matters to the attention of the House, and I have since had an opportunity of looking into the principal points that he has raised by way of supplementing the investigation I made before. Let me deal in order with the points raised by my hon. friend. In the first place he says that this Bill creates a new branch of the Department of Health. My hon. friend is quite incorrect in that; no such object is in view, and under the legislation of last session the administration of this branch is now in the Department of Health. We do not contemplate adding a single person to the staff or adding a dollar to the cost of administration. When my hon. friend says that the result of the increased rate will go into the cost of administration, he is wholly misinformed, and I want to say very frankly to my hon. friend that there is no justification for such a statement being made. For a considerable period the rate was two cents a ton; some few years ago it was reduced to one and one-half cents a ton in the hope that the work could be carried on at that figure. What I stated to my hon. friend when the matter was before the committee on a previous occasion was quite correct. I said that the cost of administration did not appear in that account, nor the cost of the hospital buildings. At that time I thought that was the case and I have since found that it was. I do not think money contributed for that fund

should be used for other purposes, but if you charge up the cost of the building of the hospitals erected plus the cost of the administration, I am advised by the officials of the department that the amount to which my hon. friend has referred will be more than absorbed, because this covers a period of over fifty years. That being the case, this is a question not of increased cost of administration, but of increased cost of hospital treatment. We have to pay increased rates in hospitals throughout the country.

Mr. STEVENS: What are the additional charges which are not included in this report? What is the amount?

Mr. ROWELL: I have not had figured out the whole cost of administration since Confederation. There has been a staff of three or four and there is their travelling expenses. It has been suggested to me that the amount would perhaps depend on the period. I presume the amount was not as great in the early years, when the work was small, as later; it might run from $5,000 to $7,000 or $8,000 a year, but it is a sum which will absorb the surplus according to my information from the responsible officers connected with the administration. Hospital charges have, as every one knows, increased during the war period, and we have to pay a higher rate than we had to pay two or three years ago in order to secure fair treatment in hospitals for the sick mariners. The whole question is this —shall the shipowners pay the cost of caring for these sick mariners in the hospitals, or shall the country bear part of the burden? I believe the shipowners have made, during the war, sufficient profits to enable them to pay the whole cost of maintenance of these sick mariners. In view of the desire to economize and not to spend money needlessly, it is only fair that we should expect the shipowners to pay the whole cost of caring for these sick mariners in hospitals. My hon. friend says that some other countries do not impose this charge. That is true; but that is no reason why we, who have been caring for sick mariners for fifty years, should not continue to do so. This is of great advantage to the fishing vessels on the coasts of the Maritime Provinces. I am told so by men interested in the situation, and I would think it would be of the same advantage on the British Columbia coast, although I have not been informed as to that, because wherever a fishing vessel chooses to pay the fee, and the fees are small, it gets the benefit of treatment for the mariners on the vessel, and that is of great value to these vessels. Under the Act the Government is obligated to take care of and provide treatment for a period as long as a year in the case of these sick mariners.

One word with reference to the situation as to the United States. I should point out to my hon. friend with reference to the clause he read from the American Act that the United States was only entitled to impose that tax against us if we imposed a discriminatory tax against them. This is not a discriminatory tax against the United States. It applies to our own vessels, it applies to English vessels—to all vessels entering our ports that come within the terms of the Act. It does not apply, as my hon. friend has said, to vessels of Ontario plying on inland waters or going from Ontario to the province of Quebec.

Mr. STEVENS: Does not my hon. friend know that the American Government imposed this tax of 6 cents against Canadian vessels because of this particular tax?

Mr. ROWELL: I believe my hon. friend is right that the American Government has imposed it. It is a matter which I am having the Department of Justice look into, and if the view which I entertain is confirmed that there is no just ground for its imposition, then we will make representations to the American Government. But this is not a new thing. As a matter of fact I turned up the record, and I find by memoranda on file in the department that as far back as 1891 ship-owners of Canada were opposing this tax on the very same grounds as my hon. friend has set out to-day. But what I point out is that it makes absolutely no difference, so far as the operation of the American law is concerned, whether this tax is 1½ cents or 2 cents. It is the fact of its existence at all that makes the United States impose their tax against our shipping. The whole question is, shall we impose on the country part of the financial obligation for caring for these sick mariners? The policy in the past has been to ask ship-owners to provide for the care of their own sick. That is the policy embodied in the Bill. The Government has considered it, and it thinks the Bill should go through.

Motion agreed to, Bill read the second time, and the House went into Committee thereon, Mr. Boivin in the Chair.

On section 383—duty on all vessels arriving at certain ports.

Mr. CROWE: Why is the province of Ontario exempted?

Mr. ROWELL: In this respect the Act is the same as it has been ever since Confederation. I have inquired with the view of ascertaining, so far as there appears to be any record, why Ontario has always been left out, and the reason that I have been given is that Ontario navigation is inland—lake navigation. This legislation so far has only been applied to ocean navigation.

Mr. CROWE: Does the minister think that seamen on the lakes do not get sick as well as seamen on the ocean?

Mr. ROWELL: That is true. I am willing to say that there may be an argument made for their inclusion, yet I doubt whether it is wise for us to change the law which has been in force since Confederation. Another reason given is that vessels plying on the lakes are usually near the home port or town of these seamen, who may be returned home in case of illness. I quite agree that that would not cover all cases, but those are the grounds which for fifty years have apparently influenced the policy of all governments in not bringing Ontario under the legislation.

Mr. CROWE: You could use the same argument as to vessels being near the home ports of the seamen in the case of vessels plying up and down the coast, which have to pay this tax.

Mr. ROWELL: There is one slight amendment I wish to make to this section. Subclause (4) says that "such duty shall be payable on each ship three times during each calendar year,' but it does not specify on what occasions the duty shall be paid. To make the matter more clear and to avoid confusion I beg tom ove to insert after the word "ship" in the first line of subclause (4) the following words: "each time she arrives in any such port, but in no case shall it be oftener than."

Amendment agreed to.

Mr. STEVENS: I wish to say one or two words in reply to the minister, who in his explanation of the necessity for the increase of the tonnage due to 2 cents a ton, did not treat my argument quite fairly. I was not arguing that the American tax was imposed because of the 2 cent tonnage due here, and the minister knows I was not. I separated my argument. I knew perfectly well that the six cents a ton tax was applied whether we had a 1½ cents or a 2 cents tax here, and it was quite unnecessary of the minister to enlighten me on that point. I was objecting to the increase to two cents asked for when there is no necessity for it. The minister told us that there was an administrative staff in Ottawa and that there were certain expenditures on hospitals. The same ground was traversed a few weeks ago and the minister was unable to give us any information as to the amount of these administration and hospital charges. My information is that the total charge included in these figures is for a certain gentleman by the name of Dr. Godin, a stenographer and one clerk. I am satisfied after an investigation that Dr. Godin's services are quite unnecessary because you do not need a medical man in charge of the work which can easily be done by any ordinary clerk. The medical work in the administration of this department is done in all quarters of this country by the hospitals and doctors there. Although Dr. Godin's services are retained as a medical man you will not use a medical man once in a season and probably not once in ten seasons. I am not saying this with any desire to embarass the minister but I am quite sure that the minister was not alive to all the facts when the matter was first broached. This administration is such that it could very well be put in charge of a clerk and a stenographer. This year I am informed we have had an $8,000 surplus and there is no occasion to increase this charge to two cents in order to cover the work of these officials. As my hon. friend has transferred this work to the Health Department he should leave the fee for another year at one and a half cents in order to see if it is necessary to increase the rate and then let the House know whether it is necessary. The minister rather implied that I was here taking a stand against the sick mariner and in the interest of the shipowner. He said that his intentions were to protect the sick mariner, to see that he was taken care of properly and he believed that the shipowners could very well afford to pay for it. I had no objection, nor have I now, to that position. My position is this: First, do not disturb these fees at all or, second, do not charge this fee but make shipping responsible for the care of the individual sailors just the same as the board of trade of Great Britain makes the shipping of Great Britain responsible. Under the laws of Great Britain British ships coming into Canada are obliged to care for their sick mariners. We are simply covering the same ground in so far as British shipping is concerned. I rather re-

sented the minister's suggestion that I am here pleading for the rich shipowners because that is not my position at all. My position is that the fee should not be changed and that in the next place these same rich shipowners should be compelled to look after their own sick sailors under proper Government regulations and provision. If that were done I submit that it would be possible not to increase this fee this year. Let the matter stand for another year.

Mr. ROWELL: Possibly my hon. friend (Mr. Stevens) is not aware of the fact that under a contract which we have with British Columbia we are bound to maintain marine hospitals, and we cannot be released from the arrangement which requires us to make provision with existing British Columbia hospitals for the care of sick seamen. The Government has concluded an agreement with the Government of British Columbia to make such provision and therefore it is not a case where we could turn over to the shipping companies the obligation to which my hon. friend has referred. I do not see how the companies could seriously suffer from this legislation. It does increase to some extent the dues. The charges would be increased on all the ships by approximately $15,000 a year according to the Estimates I have. I cannot see how $15,000 would seriously prejudice the shipping coming into our ports from all nations. It does not seem to me that it is such an additional charge as to seriously prejudice any shipping interests sailing into our Canadian ports. Our charges would not compare with those of any other ports and especially American ports. One complaint of my hon. friend is that the American Government takes advantage of this provision to impose a much higher tax on our ships going into United States ports.

Mr. STEVENS: That is not the only charge against shipping. It is only an incidental charge. There are other charges and many of them in different ports.

Mr. LOGGIE: Is this one-half cent increase per ton due to the increased cost of living or of maintaining these sick sailors at the hospitals. With the increased cost of food, clothing, etc., the keeper of the hospitals cannot get a fair return on their investment. I understand that is what the minister tells the House. I would like to say also to the hon. member for Vancouver Centre (Mr. Stevens) that Dr. Godin is doing more than the work of a clerk because he supervises the expenditures of the hospitals all over the country from time to time and that work, I fancy, requires a man of some experience. I want to know whether the increased cost is due to the increased cost of living—the cost of food, clothing and other materials necessary in the hospitals.

Mr. ROWELL: The increase is substantially as my hon. friend (Mr. Loggie) has suggested. We maintain four hospitals. The cost of everything has gone up and therefore it costs us more to maintain these four hospitals than it did three or four years ago. Then we have agreements with about 35 hospitals in the parts of Canada where sick sailors come in. We have to renew our agreements at higher rates because the hospitals cannot afford to renew them at the old rates. I could give the rates which formerly prevailed and the present rates in all these hospitals. There is a very substantial increase in the charge. We cannot help it; we have to pay. Just one word in reference to Dr. Godin. He is the officer of the Government who must see that these four hospitals in different parts of Canada are properly administered and he must also see that the 35 other hospitals carry out their agreements for the care of sick sailors. That is an important office which he has filled for a great many years and filled very acceptably.

Mr. LOGGIE: I want to confirm what the minister has said because we have one of these hospitals which has received assistance for half a century. The allowance was so small that the keeper had to put his grievance before the department. I am glad to say that they met his views to some extent but nevertheless the amount which he receives is still very small and, considering the increased cost of living, I do not know but what his case should receive even further consideration.

Bill reported, and amendments read the second time.

On the motion of the Hon. Mr. Rowell that the Bill be read a third time.

Mr. SPEAKER: The Bill can only be read a third time now with the unanimous consent of the House.

Motion agreed to, and Bill read a third time and passed.

## NORTHWEST GAME ACT AMENDMENT.

On the motion of Sir Robert Borden Bill No. 151 to amend the Northwest Game Act was read a second time, considered in com-

mittee, reported, read a third time and passed.

Sir ROBERT BORDEN: I understand that it is the general wish of hon. members that we should not sit this evening. I therefore beg to move that the House do now adjourn.

Motion agreed to, and the House adjourned at 6.30 p.m.

## Friday, June 4, 1920.

The House met at Two o'clock.

### PAPER TABLED.

List of lawyers in the province of Quebec, who act as Public Representatives. —Hon. Mr. Sifton.

### DIRECTOR OF COAL OPERATIONS.

Hon. ARTHUR MEIGHEN (Minister of the Interior) moved for leave to introduce Bill No. 153 (from the Senate), respecting the Director of Coal Operations. He said: I would like to defer giving an explanation of the object of this Bill until it comes up for second reading; but the passage of the measure will be expedited if it receives the first reading to-day.

Motion agreed to, and Bill read a first time.

### SENATE BILLS—FIRST READINGS.

Bill No. 154 for the relief of Albert Ernest Bulley.—Mr. Fripp.

Bill No. 155 for the relief of Beatrice Booth Gendron.—Mr. Fripp.

### ORDER OF BUSINESS.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): I should like to say to the House that on account of the Minister of Finance being very actively engaged in very important matters, apart from the Budget, he will not be able to go on with the Budget resolutions as the first order of business to-day. I spoke to the leader of the Opposition about taking up Order No. 12—which is merely for a reference to a committee—Order No. 25, the second reading of a Bill to amend the Yukon Placer Mining Act, and Order No. 10, concerning a Bill that has been unanimously reported by the Select Standing Committee on Agriculture. I do not think any of these matters are controversial.

Mr. JACQUES BUREAU (Three Rivers): May I ask the Prime Minister a question? Can he inform me whether or not electricity and gas will come under the heading of manfactured products in the new taxation? I ask the question because I have received telegrams from the firms that are selling electricity and gas in my town, who wish to know if they are to charge the one per cent tax on their bills which go out on the first of the month. I promised that I would ask the question the first thing at the opening of the House to-day, and I am now carrying out that promise.



Sir ROBERT BORDEN: Would my hon. friend be good enough to ask the Minister of Finance that question?

Mr. BUREAU: I thought perhaps the Prime Minister would know.

Sir ROBERT BORDEN: The subject is really one that comes under the Minister of Finance, and without having the resolutions before me I would hardly like to give an answer to my hon. friend.

### CRIMINAL CODE AMENDMENT ACT—(FRENCH VERSION).

On the Order, House again in committee on Bill No. 131 (from the Senate) to amend the Criminal Code (French version).

Rt. Hon. C. J. DOHERTY (Minister of Justice): I beg to move with the permission of the House, pursuant to the understanding come to on Friday, that this order be discharged and that the said Bill be referred to a special committee for consideration and report, and that the Minister of Justice, and Messieurs Lemieux, Mackie (Edmonton), Vien and Denis be members of said special committee.

Motion agreed to.

### YUKON PLACER MINING ACT AMENDMENT.

On motion of Hon. Mr. Meighen Bill No. 142 to amend the Yukon Placer Mining Act was read a second time, and the House went into committee thereon, Mr. Boivin in the Chair.

On section 1—Prior Rights protected:

Mr. BUREAU: Would the minister make a general statement with respect to the whole Bill? Very few of us, of course, are familiar with the conditions in the Yukon —except perhaps the hon. member from Yukon (Mr. Thompson)—and therefore we should like to know what is the purport of the Bill.

Mr. MEIGHEN: I can make a general statement. There is little use explaining

the first clause because it is rendered necessary in order to give full effect to the operating and substantial clauses that follow. The purpose of the Bill is this: Its design is to supply additional incentive to placer mining in the Yukon territory. When the Yukon was opened up, and for many years thereafter, placer mining was vigorously prosecuted because the awards under the then conditions were ample. They now are not so great as they were at that time, and it is sought by this Bill to amplify them in the following manner:

To adopt the practice of issuing leases—that is to say leases of territory along creeks where placer mining is carried on of considerable extent;—practically a reservation of that territory for the applicant in order that he may prospect it and if he finds that it is in his interest to stake claims, to do so. The territory proposed to be granted in respect of land already worked over—that is land already taken up, cancelled or abandoned—is five miles in length on any creek, and the time allowed is one year. The prospector is bound to expend at least a thousand dollars in that year on prospecting operations, and if he does so he is entitled to a renewal, if he desires, for another year, and under similar circumstances for a third. He pays $25 per mile, or fraction of a mile, rental for that prospecting lease. Then in respect of the class of claim already worked over, he is at liberty to stake within those three years any area he wishes, or rather as many claims as he desires. Each claim is about 23 acres in maximum.

Mr. BUREAU: In that particular location.

Mr. MEIGHEN: In that particular location. When he gets the claim he, of course, abides by the regulations in the usual way. Now as regards new areas—that is to say creeks not already applied for, forfeited or abandoned, or not worked over—he is entitled not to five miles but to one mile. He is entitled to renewals in the usual way—or rather in the way I have just defined as respects the other class—but he cannot stake the whole thing. He can only obtain a discovery stake,—that is to say three times the ordinary stake—the discovery stake being one that has always been given. Where a man is in the position of the discoverer of the area he gets three times the ordinary stake. So in this class of creeks already worked over, that is all he can obtain. He pays the same rental as I stated before for the other class, viz., $25 per mile or fraction of a mile.

Then the Bill provides as well for the method of measurement, a rather technical definition which could be explained much better by the hon. member for the Yukon. Indeed, greater detail could be given by him, if necessary, as to the main provisions of the Bill and as to the necessity therefor.

Mr. ALFRED THOMPSON (Yukon): Perhaps the committee will permit me at this stage to elucidate the object of the Bill a little further, although the minister has given the basic reasons for the amendments. It is now over twenty years since gold was first discovered in the Klondike. A very large area of the gold-bearing gravels has been worked, many creeks have been prospected, and many worked, and others prospected but not worked and subsequently abandoned, which claims have reverted to the Crown. Now we have quite a large area of ground in that country containing gold-bearing gravels of this character; ground that is not sufficiently rich in gold contents to be worked by the ordinary placer mining methods or by the individual miner by staking individual claims.

But by placing these gravels in larger groups it is hoped that it may be possible to have them prospected by what is known as the core drill method, involving the use of machine drills, as opposed to the ordinary shaft sinking method. These amendments were suggested by a non-partisan organization known as the Yukon Development League, and it is hoped that their adoption will give an impetus to the further prospecting of this low grade gravel on abandoned creeks. So far as virgin ground is concerned, as the minister has stated, the leases cover only one mile for a term of one year, and within that mile the prospector can secure at the end of the term only one discovery claim of the same size as he would be able to obtain if he were to make a discovery on any other ground upon which claims did not already exist.

Mr. BUREAU: Will the hon. member explain how he expects to get better results by allowing five miles to be included in a claim instead of the area allowed heretofore?

Mr. THOMPSON (Yukon): This low grade ground can only be prospected by the use of expensive power drills, and the gold contents of any one claim were not such as to warrant their continued operation, otherwise the claims would not have been abandoned. The idea is to give a prospector a larger claim so that he will be

able to secure the necessary capital to embark on this somewhat expensive prospecting.

Mr. BUREAU: You allow him to consolidate the smaller claims?

Mr. THOMPSON (Yukon): Yes.
Section agreed to.

On section 2—Lease to prospect for gold, application and evidence required, etc.

Mr. BUREAU: Is the size of a discovery claim 23 acres?

Mr. MEIGHEN: Three times the ordinary size.

Mr. THOMPSON (Yukon): 1,500 feet along a creek.

Mr. BUREAU: I see that when an application is made for a lease the Gold Commissioner of the Yukon shall satisfy himself that the applicant has the means to carry on the necessary prospecting. Did that provision exist under the old law?

Mr. THOMPSON (Yukon): No. Under the present law a man may stake a claim 500 feet long, or if he discovers a new creek he may stake a discovery claim 1,500 feet long. The Gold Commissioner must satisfy himself that the people who apply for these leases are able to carry out the conditions so that the ground will be prospected, the underlying principle being that ground now idle may not be tied up.

Mr. BUREAU: But, on the other hand, power is left absolutely in the hands of the Gold Commissioner to determine whether or not leases shall be granted to any applicants. He is the sole judge and may refuse an applicant a lease by merely stating that the applicant has not furnished satisfactory evidence that he has the means to fulfil the conditions of the lease. Does not the minister and the member for the Yukon think that this is a rather absolute power to leave in the hands of one man, especially in a mining country?

Mr. MEIGHEN: The Gold Commissioner already has other powers just as wide as this power. There is no other way of administering the Act. The Gold Commissioner is too far away for any appeal powers to be exercised over him, and those directly interested, as represented in the Yukon Development League, are quite ready to submit to this provision. As the hon. member is aware, the Gold Commissioner acted for many years as Commissioner of the Yukon.



Mr. BUREAU: But like ourselves he will have to get out some day—he will die, poor fellow.

Mr. MEIGHEN: Then another man equally as good will be appointed as long as present conditions obtain.

Mr. BUREAU: I thought you were going to say "as long as the present Government continues." That is where I get suspicious!

Mr. MEIGHEN: I do not think any other method is possible, for we cannot maintain a court there for the purpose indicated; the Act has to be administered by one man only. As the hon. member knows, we reduced the officials there about two years ago, by more than half, I think.

Mr. J. H. SINCLAIR (Guysborough): In my province, at all events, a man who goes out to engage in prospecting requires nothing more than his loaf of bread, a powder horn and a pick; the best coal mines in the province have been discovered by men so equipped. I would not like to see an Act passed which would have the effect of shutting out the gold prospector. Why is it necessary to confine the application to men of wealth or means?

Mr. MEIGHEN: It does not confine the application to men of wealth; it simply provides that before a man can get a lease he must show he is able to do something on the ground. It would be bad policy to grant to any applicant a lease, thereby tying the territory up, if he has no means at all of utilizing that territory. When the Yukon was new and the mining was carried on under the old method, the prospector did not require any capital, because the gold was there and could be mined by that method. But these worked-over claims can be mined only by the use of these power drills. It is not we who compel the presence of capital; it is nature; consequently, to avoid tying up claims by those who cannot work them we simply say: Show us that you are able to work them, or show us that you have associated with you men who can work them, and that is sufficient.

Mr. J. H. SINCLAIR: That seems to be a very good reason. But the prospector has to come back to the commissioner and show that he has done something during the year; it does not occur to me that it is necessary to impose this condition in the first year. Very often men who have not much means can discover a gold mine. A great deal, of course, depends upon the administration of the Act. If it is rigid, some worthy people may be altogether shut out

from this work; if liberal, the results may be more satisfactory. I am not opposing the Bill; I simply make these remarks by way of suggestion. I understand that this Bill applies to placer mining. Is any other kind of mining carried on in the Yukon?

Mr. A. THOMPSON (Yukon): Yes, we mine silver, copper and coal. We mined tungsten during the war and there are large antimony deposits there. This Bill refers only to placer mining and this particular amendment to ground that has already been prospected and abandoned, has reverted to the Crown, and has been lying idle for years. The amendment is intended to devise a method under which these areas can be prospected by the use of power drills and acquired and worked by larger groups where larger capital is required. It is the prospecting itself that requires the money. This ground has already been prospected by the ordinary methods, and enough gold has not been found to warrant the development of the property. By using power drills and making these drill holes at various intervals throughout these claims, possibly getting a group of claims together, it is hoped that ground which is now idle will be made to produce.

Mr. CAHILL: And how much money would it be necessary for a man to have before the commissioner would allow him to take up a claim?

Mr. THOMPSON: It is hoped that a group of placer miners will be able to say to the Gold Commissioner: We are willing to pay this $25 and to do $1,000 worth of work per mile on this ground. The power drills cost from $4,000 to $5,000.

Mr. CAHILL: Can they be rented?

Mr. THOMPSON: Well, some of these drills are not being used just now and in a limited way those who desire to engage in the work might be able to rent them. A group of prospectors might be able to use their own labour and sink shafts by the ordinary methods. It is not absolutely necessary that power drills should be used, but it is expected that they will chiefly be used for this purpose.

Section agreed to.

Bill reported, read the third time, and passed.

## INSPECTION AND SALE ACT AMENDMENT.

House again in Committee on Bill No. 104, to amend the Inspection and Sale Act (as amended by Select Standing Committee on Agriculture).—Hon. Mr. Tolmie—Mr. Boivin in the Chair.

On section 1—sections prescribing sizes of apple barrels, fruit boxes, etc., penalty section, and section authorizing minister to appoint inspectors, etc., repealed.

Mr. FIELDING: I notice that clause 326 provides that the Minister of Agriculture may make regulations for purposes that are set forth in the section. The other day the point was taken that perhaps we are calling too often upon the Governor in Council to make regulations; but as in this section penalties are imposed and as these are regulations which really form part of the Criminal law of the country, I would suggest to my hon. friend that his regulations should be subject to the approval of the Governor in Council.

Mr. TOLMIE: I have no objection to that.

Mr. FIELDING: I am making this suggestion only because the clause is penal in its character. I notice also that in this clause the expression is used "packages containing fruit for sale in Canada." Is it quite certain, when a package is made, that the fruit is to be sold in Canada or elsewhere? There is no distinction. A man may make a box intended to contain fruit for sale in Canada and he may sell it in Europe, or he may make a box to contain fruit for sale in Europe and he may sell it in Canada. Will there not be a difficulty in carrying out the regulation?

Mr. TOLMIE: Under this Bill we control entirely the nature of packages for sale in Canada; but in the event of an exporter showing to the department that it is necessary to have a special form of package to meet the requirements of some market to which Canada wishes to export, then if his claim has merit, permission will be granted to him to ship in a special package to meet the requirements of the market in which he wishes to sell.

Mr. FIELDING: The minister has assented to a suggestion of mine—I did not move it—that his regulation should be subject to the approval of the Governor in Council. I understood the minister would make the motion.

Mr. TOLMIE: I move to amend clause 326 by adding after the words "Minister of Agriculture," in the first line thereof, the following words "subject to the approval of the Governor in Council."

Amendment agreed to, and section as amended agreed to.

Bill reported, read the third time and passed.

## COMMITTEE ON WAYS AND MEANS—BUDGET RESOLUTIONS.

The House again in Committee of Ways and Means—Sir Henry Drayton (Minister of Finance) —Mr. Boivin in the Chair.

### CUSTOMS.

Resolved that it is expedient to amend Schedule A to the Customs Tariff, 1907, and to strike thereout tariff items 172 and 483, the several enumerations of goods respectively, and the several rates of duties of Customs, if any, set opposite each of the said items, and to provide that the following items, enumerations and rates of duties be inserted in said Schedule A.:

| Tariff Items | — | British Preferential Tariff. | Intermediate Tariff. | General Tariff. |
|---|---|---|---|---|
| 172 | Books, viz.:—Books on the application of science to industries of all kinds, including books on agriculture, horticulture, forestry, fish and fishing, mining, metallurgy, architecture, electric and other engineering, carpentry, shipbuilding, mechanism, dyeing, bleaching, tanning, weaving and other mechanic arts, and similar industrial books; bibles, prayer-books, psalm and hymn-books, religious tracts, and Sunday school lesson pictures. | Free. | Free. | Free. |
| 483 | Stereotypes, electrotypes and celluloids of books, and bases and matrices and copper shells for the same, whether composed wholly or in part of metal or celluloid..... | Free. | Free. | Free. |
| 698a | Typewriters and writing appliances specially adapted for use only by the blind, under regulations prescribed by the Minister of Customs and Inland Revenue..... | Free. | Free. | Free. |

2. Resolved that it is expedient to amend Chapter 3 of the Acts of 1915 and Chapter 47 of the Acts of 1919, and to strike thereout section 3 of Chapter 3 of the Acts of 1915 and sections 3 and 4 of Chapter 47 of the Acts of 1919.

3. Resolved that it is expedient to provide that the provisions of the foregoing resolutions shall be deemed to have come into operation on the nineteenth day of May, one thousand nine hundred and twenty, and to apply and to have applied to all goods mentioned in the foregoing resolutions imported or taken out of warehouse for consumption on and after that day, and to have also applied to such goods previously imported for which no entry for consumption was made before that day.

Mr. FIELDING: What is the effect of clause 2?

Sir HENRY DRAYTON: The effect of that is to repeal entirely the 7½ per cent war tax.

Mr. JACOBS: Were the articles mentioned in items 172, 483 and 698a not on the free list before?

Sir HENRY DRAYTON: No. The old section putting articles on the free list gave a preference to books and printed material in languages other than English and French. We are doing away with that preference and putting all the languages on the same footing.

[Mr. Tolmie.]

Mr. JACOBS: It puts them all on the free list.

Sir HENRY DRAYTON: It puts them all on the same footing. Everything you have on that list is absolutely free. The old section read:

> also including books printed in any language other than the English and French languages or in any two languages not being English or French or in any three or more languages.

The effect of this change is to limit the list of absolutely free articles in such a way as to place all publications in any language other than French or English on same basis as those printed in English or French.

Mr. FIELDING: You want to admit the German language.

Mr. JACOBS: The war must be over.

Mr. BUREAU: If I may digress for a moment; before the Minister of Finance came into the House I asked a question of the Prime Minister the reply to which I had been requested to send by telegraph or otherwise to a correspondent. My question was whether electricity and gas would be regarded as manufactured products. There are men engaged in the business of supplying electric light and electricity for domestic purposes, and this being the end of the

month they want to send out their bills, but until they have this information they do not know where they are at.

Sir HENRY DRAYTON: My view of the resolution, and I hope the House will adopt that view, is that neither gas or electricity ought to be taxed, and that no tax will be levied upon them.

Mr. BUREAU: If in view of the statement of the minister these men send out their bills without the one per cent added, they will not be subject, if the House determines otherwise than as the minister has stated, to the penalty which may be imposed under the law.

Sir HENRY DRAYTON: No.

Mr. FIELDING: The change in the item respecting stereotypes is of the same nature, I presume, as the change in regard to books.

Sir HENRY DRAYTON: Absolutely the same.

Mr. FIELDING: It leaves out "English and French languages" and applies to all.

Resolution reported and concurred in.

Sir Henry Drayton thereupon moved for leave to introduce Bill No. , to amend the Customs Tariff Act, 1907.

Motion agreed to and Bill read the first time.

## WAYS AND MEANS.

### BUSINESS PROFITS WAR TAX ACT, 1916, AMENDMENT.

House again in Committee of Ways and Means, Mr. Boivin in the Chair, on the following proposed resolution:

Resolved, That it is expedient to amend The Business Profits War Tax Act, 1916, and the amendments thereto, and to provide:

1. That the profits earned in any business during any accounting period ending in the year one thousand nine hundred and twenty which do not exceed ten per cent per annum upon the capital employed in such business shall be exempt from the tax prescribed by the Act;

That upon any such profits exceeding ten per cent per annum and not exceeding fifteen per cent per annum there shall be paid a tax equal to twenty per cent of such profits;

That upon any such profits exceeding fifteen per cent per annum and not exceeding twenty per cent per annum there shall be paid a tax equal to thirty per cent of such profits;

That upon any such profits exceeding twenty per cent per annum and not exceeding thirty per cent per annum there shall be paid a tax equal to fifty per cent of such profits;

That upon any such profits exceeding thirty per cent per annum there shall be paid a tax equal to sixty per cent of such profits;

That in the case of a business owned by an incorporated company with a capital of not less than twenty-five thousand dollars and under fifty thousand dollars employed in such business, there shall be paid a tax of twenty per cent of the amount by which the profits earned in such business during any accounting period ending in the year one thousand nine hundred and twenty exceeded ten per cent per annum;

2. That in respect to any business liable to taxation under the said Act having a capital of less than fifty thousand dollars the rates of taxation set forth in section three of the said Act as amended by chapter six of the Statutes of 1917 shall apply in respect of the 1917 and 1918 accounting periods, if twenty per cent or more of such profits have been derived from the manufacture or dealing in munitions of war or materials or supplies of any kind for war purposes;

3. That the period during which the said Act is to be in operation be extended for one year, and that section twenty-six of the said Act be amended by substituting the word "twenty" for the word "nineteen" in the third line thereof, and by substituting the word "seventy-two" for the word "sixty" in the fourth line of the proviso in the said section.

Sir HENRY DRAYTON: Owing to a typographical error in the sixth paragraph the words "owned by an incorporated company" have crept in. The original resolution did not contain these words. They add nothing to the meaning and I beg to move that they be deleted.

Amendment agreed to.

Mr. FIELDING: The phrase "such profits" is intended to mean only the excess, I presume?

Sir HENRY DRAYTON: Yes.

Mr. FIELDING: I quite understand that that is the intention, but is it clear on reading the clause.

Sir HENRY DRAYTON: That is the intention, and the Bill will make it absolutely clear.

Mr. FIELDING: I think it is capable of being misunderstood, and I am only drawing my hon. friend's attention to it.

Sir HENRY DRAYTON: I thank my hon. friend. The Bill will make the intention absolutely clear.

Mr. FIELDING: The words "such excessive profits" might be helpful.

Mr. CAHILL: The tax is figured at each point, between 10 and 15 per cent, 15 and 20 per cent, 20 and 30 per cent, and upon the excess over 30 per cent?

Sir HENRY DRAYTON: That is right.

Mr. JACOBS: The other evening in my remarks on the Budget I drew the attention of the minister and the House to the fact that in many cases the amount which is charged by the Government under the excess

profits tax is very much larger than the amount charged on a business with a capitalization twice as large. I instanced the case of a business with a capital of $1,000,000, where a profit of 50 per cent, or $500,000, was made. The owner of that business would be required to pay to the Government, under the new proposals $185,000, while if the capital employed was only $500,000 the tax would be very much greater. I do not know whether I make myself perfectly clear, but my point is this: where a business with a capital of $1,000,000 is being carried on and a profit of $500,000 is made, the Government takes an excess profits tax of $185,000, whereas if the capital employed is only $500,000, and $500,000 profit is made, the amount to be paid to the Government under the new proposals would be about $250,000. So that we have this anomalous situation, that where two companies both make a profit of $500,000 each, the one which has a capital of $500,000 pays into the coffers of the Government $250,000 and the other with a capital of $1,000,000 pays only $185,000. I think that is a glaring anomaly which the minister should carefully consider with a view to affording some relief.

Sir HENRY DRAYTON: The hon. member has pointed out one of the anomalies and direct injustices of all these excess profits taxes. But they are all formed on the same basis. They are not formed with any regard to the amount of effort or anything else that is required in order to obtain a given result. In all taxes of this kind, the one consideration is the amount of money actually employed, and there is no doubt that where you have an active, energetic management which, by extra work and superior business acumen, turns over its capital four or five times a year as compared with another that turns its capital over only once or twice a year, the same amount of capital is utilized to a far greater extent and with greater advantage to the country; and while such a management must be penalized under any system, there is this to be said, that the anomaly is now far less marked than formerly.

Mr. JACOBS: May I point out to the minister a concrete case which I have in mind, it having been brought to my attention. A business in Montreal has a capital of $500,000. It borrows from the bank another $500,000, so that it is working on a million dollars. It makes on this million dollars a profit of $500,000. Fifty per cent of that is paid into the Government's coffers, that is to say, $250,000. Another business does not require to borrow a cent from the bank. It has a million dollars of its own, and because it has not to borrow from the bank it merely pays into the treasury $185,000. Why should a man who has only half a million dollars and borrows a like sum from the bank have to pay $65,000 more than the man who happens to have a million dollars of his own money invested. This is a glaring injustice. It is not right and it cannot be justified in any way by the Government, so far as I can see. Why not make both pay $250,000? I am not urging for a moment that the man who has to pay $250,000 should not pay it; but why should a man who has a million dollars of his own and is not under any necessity to borrow from the bank not pay $250,000 the same as the other man?

Sir HENRY DRAYTON: That is another illustration of the difficulty of working out anything like an absolutely fair basis. There is, however, a real difference between the two cases. In the first instance the company have collected and invested permanently their own money; in the other case they are able to get hold of only half the amount they require to look after their business, and therefore in regard to the other half they have to make their business a direct charge to that extent upon the public credits afforded by the banks of the country. Loans are always changing and fluctuating. They do not represent money really invested in the business and therefore are not capital. Let me point out, however, that the business such as my hon. friend speaks of is protected to this extent, that the full amount of the interest which they pay is deducted from their profit, being looked upon as an expense. If they pay 6 or 7 per cent interest it is deducted.

Mr. JACOBS: That is to say, if they borrow $500,000 from the bank, $35,000 interest is deducted before a penny is paid to the Government. But what about the $250,000 of actual net profit made irrespective of the $35,000. My hon. friend does not seem to realize that the man who is able to get half a million dollars from the bank in these days of stress and strain deserves some consideration at the hands of the Government. He requires to be a clever man to do that, and after he has succeeded in doing it and has $500,000 in his possession, he is mulcted to the extent of $250,000. Surely the Government does not persist in this course, because to my mind it is one of the most glaring injustices of the

whole Budget, and there should be some relief.

Sir HENRY DRAYTON: He is a very fortunate man who manages to make such a large return upon the sum of $500,000.

Mr. JACOBS: Not on $500,000; on a million.

Sir HENRY DRAYTON: No; his own money is only $500,000.

Mr. JACOBS: The amount invested is a million.

Sir HENRY DRAYTON: Let me say that I do not attempt to defend the business profits tax as a matter of principle. It was an absolute necessity, and after all it afforded one rough and ready way, and a fairly effective way of recovering to the nation exorbitant profits. It would be entirely improper to change that tax this year, when every single thing that could have been passed on to the public has been passed on, and the business has been conducted as it was under the Act which is now in force. So far as next year is concerned, I think that hon. gentlemen will agree that we have gone a long way towards removing the objections that have been raised to the Act.

Mr. JACOBS: Do I understand that the minister promises that next year the statute will be repealed?

Sir HENRY DRAYTON: I never like promising anything which I know I cannot do. I am making no promises, but the taxes of next year, under these proposed resolutions, are on a materially lower plane than the taxes which will be collected this year or those that were collected last year.

Mr. JACOBS: I understand that the minister admits that the system is a rough and ready one.

Mr. LAPOINTE: In reading over the Business Profits Tax Act this morning I notice that there are certain exemptions which will be continued under the new Bill. For instance, all companies or associations, 90 per cent of whose capital is owned by a province or a municipality, are exempt from the provisions of this measure. I think that in certain cases this constitutes a discrimination which is unfair. Take the question of electricity, to which my hon. friend (Mr. Bureau) referred a few moments ago. In the province from which I come the service is performed by privately owned companies. It is not my intention to discuss the merits of public ownership or of private ownership; in my province we are satisfied with the system that is in force; and as was shown in an article published in Toronto Saturday Night of last week, the consumers of electricity in the city of Montreal who are served by privately owned companies are paying a less price than the consumers in the city of Toronto. What I wish to say is this: The advocates of public ownership generally contend, as one of their main arguments, that no privileges should be granted to anybody. Well, there should be no privileges in this instance. I say that the consumers or the sellers of electricity—in any part of the country whether the enterprise is owned by a province or by a municipality or by private company—should be treated in the same way, and should pay the same taxation to the federal treasury. I have nothing to say against the Hydro-Electric Commission of Ontario—on the contrary, I hope it will be very successful—but I submit that that commission which is selling the same article that is being sold by privately owned companies in Quebec, should be subject to the same taxation as those private companies are subject to. I think that it is only fair and just that it should be so, especially when we recollect the competition that is going on with a view of attracting industries. All sections of the country are inviting industries to come and locate in their respective localities, with the promise of power for their development, and there is no doubt that where exemption from taxation is in force it gives an advantage to that particular section of country. I say that taxation should be the same in all sections of the country; the same article should be taxed in the same way throughout the country, and the consumers of power, or of any other article, should be dealt with in the same way no matter in what part of Canada they may be. Therefore I submit that this exemption should be eliminated from the Bill.

The CHAIRMAN: Shall clause 1 carry?

Mr. BUREAU: No, Mr. Chairman. In my opinion the remarks of my hon. friend from Quebec East are justified. We know that there are two classes of concerns distributing electrical power in Eastern Canada. There is the Hydro-Electric Power Commission, which is owned by the Ontario Government, and in the province of Quebec there are privately owned companies, and the patrons of the latter are supplied with the electricity at a cheaper rate than is the case in Ontario. Now, what do the respective consumers have to put up in con-

nection with the excess profits tax? I am not desirous of arguing against publicly owned enterprises—there are arguments enough on other grounds—but let me point out that in round figures last year the Montreal Light, Heat and Power Consolidated paid to the Government $466,043.27, the Shawinigan Falls Company, $151,000, the Southern Canada Power Company, $4,000, the Laurentide Power Company, $31,000, and the Quebec Railway, Light, Heat and Power Company, $9,000. Here is practically the sum of $750,000 paid into the Federal Exchequer by these companies as excess profits whereas the Hydro-Electric Commission does not pay a cent. That constitutes a discrimination which is unfair to privately owned companies. Let me illustrate to you how it works. I remember that during the war the English Forgings Company went to Toronto and located, although the Shawinigan Power Company offered them cheaper power—power delivered at the outside wall of the proposed building— for nothing, whereas the Hydro-Electric made a charge of $80,000. Experts were also obtained to show what the salvage of the buildings would be at tide-water as compared with an inland port, and I think the difference in favour of the former amounted to from one million and three-quarters to two millions. There is a decided unfairness in such a form of discrimination when public ownership is competing against private ownership. I say it is not fair to exempt the producers of electricity in one province from taxation, and in other provinces make them contribute to the public exchequer. Suppose the capitalization of these companies were such as to entitle the federal exchequer to a million or two million dollars in taxation? Well, a provincially or municipally owned company would be exempt from this taxation, and the people in the rest of the country would have to make it up. I say that the burden of taxation in such a case as this ought not to be taken away from a particular province and imposed on other provinces.

Sir HENRY DRAYTON: I think we are just a little at cross purposes in connection with this matter, and I fear my hon. friends do not quite appreciate the real position. There is no tax on electricity; there is no tax on any consumer or any producer of electricity anywhere.

Mr. BUREAU: Producers.

Sir HENRY DRAYTON: At the present time we are talking about the excess business profits tax; and it makes no difference whatever, as a matter of fact, whether the exemption be retained or not. There will be no taxes whatever paid by the Hydro, they are not running it to make excess profits or, in fact, to make profits at all; they are merely running the enterprise so that the investment will be carried and the consumer obtain the electrical product which he consumes at cost. Let us remember that this tax that we are talking about is merely an excess profits tax, so that there is absolutely nothing that you could assess against the Hydro-Electric Commission.

Mr. BUREAU: Who benefits by it?

Sir HENRY DRAYTON: Further, it is not a question of benefiting this section or that section, nor does the incidence result in benefiting this section or that section. The only people that are benefited one way or another or that are hurt one way or another, are the shareholders who have been getting a profit, which has been defined to be an excessive profit, during the war period, and therefore have to pay something out of those excessive profits. Now there are no shareholders that can be hit in the Hydro-Electric—there are no shareholders obtaining any profits. Again, it is not any particular section that is hit. The shareholders of the Shawinigan Company do not live in Shawinigan, they live all over the Dominion, and there are probably as many, if not more, shareholders of that company in Ontario as in Quebec. But it is those individuals who are entitled to the excess profits who suffer rather than the consumers of electricity. Indeed, as the hon. gentleman pointed out at the commencement of his remarks, if it be true that power is supplied cheaper by the Shawinigan Company than by the Hydro, then if there is anything in the argument that the section which has the cheapest power is helped as against other sections the section served by the Shawinigan Company has the advantage.

Mr. BUREAU: My statement is from Saturday Night of May 29.

Sir HENRY DRAYTON: This tax does not enter into the cost of electricity to the consumer, because it is merely the excess profits that are subject to the tax. It is entirely in the hands of the directors of a company to say whether they are going to insist on getting excess profits out of which they will pay something to the general public. There is also no difference of taxation to the extent of discriminating in favour of any particular section, because

all the consumer is interested in is the price he pays, and there is no tax on the current he buys. The costs of the Shawinigan Power Company are not advanced five cents by this tax; and the profits of the Hydro Commission would be no greater and no less whether the tax applied to them or not. If this tax were imposed on the amount of electricity used by the consumer, so that the cost to him was increased in these sections and was reduced in those sections, then I think my hon. friends point would be perfectly correct. But over and above all these considerations, I do not think that the Crown, acting in the right of the Dominion, has ever yet thought that it had power to tax the Crown in the right of the provinces.

Mr. BUREAU: The Hydro Commission could be taxed the same as the Intercolonial Railway Commission has been sued heretofore. It is only a fiction, anyway.

Sir HENRY DRAYTON: I think my hon. friend will agree with me when I say that that commission—

Mr. BUREAU: The principle is right.

Sir HENRY DRAYTON:— acting as it does for the Ontario Government and supported as it is entirely by grants from the Ontario Government and by income received from the municipalities, has its property vested in the Crown in the right of the province.

Mr. BUREAU: Absolutely.

Sir HENRY DRAYTON: And I do not think my hon. friend would suggest that this Parliament would have the right to tax such property.

Mr. BUREAU: But you could tax the commission itself. We had the same fiction about the Intercolonial Railway Commission some years ago. On the principle that the King can do no wrong we had to proceed by petition of right. But it became an abuse when a man who had a cow killed on the track or lost a bag of flour in transit had to come to the Governor in Council to get a petition. We got over that by substituting the commission for the Crown.

Mr. FIELDING: The excess profits of the Canadian National Railway Company will come under the operation of this Bill?

Sir HENRY DRAYTON: I think they ought to.

Mr. FIELDING: The stock of that company is vested in the Crown, and according to my hon. friend's contention it cannot be reached because it is so vested. But perhaps we had better wait until the company earn some profits.

Sir HENRY DRAYTON: I think my hon. friend is speaking ironically; but, if taken seriously, it would not be a very profitable matter for the stockholder to tax the stockholder, which would be in effect the result of bringing the company under this law.

Mr. BUREAU: Perhaps if we taxed the deficits we would get more revenue.

Mr. LAPOINTE: I quite realize that electricity as such is not taxed, and of course if it were taxed in one province and not in another the action would be indefensible. But my hon. friend says that the Hydro Electric Commission is not operated for the purpose of making profits. Of course, that means that the revenue is used to develop the property and, as a result, give cheaper power to the consumers. In that, it seems to me, there is a discrimination, because the stockholders of a private company cannot do the same under the Business Profits War Tax. Under subsection 3 of section 6 it is provided:

> No deductions from the gross profits for depreciation or for any expenditure of a capital nature for renewals, or for the development of a business, or otherwise in respect of the business, shall be allowed, except such amount as appears to the minister to be reasonable and to be properly attributable to the accounting period, and the minister when determining the profits derived from mining shall make an allowance for the exhaustion of the mines.

Another section provides that a company shall not sell its products or goods at a price below what the minister may consider to be a fair price. In this case there is a discrimination, because the Hydro Electric Power Commission not only has the right to do that, but its purpose is to employ its profits to lower the selling price of its electricity. Why should consumers in other parts of the country be deprived of the same privilege of having their electricity cheaper as a result of the good management of the company?

Sir HENRY DRAYTON: I would like to ask the hon. gentleman a question.

Mr. LAPOINTE: I am asking questions.

Sir HENRY DRAYTON: Can he tell me how it is feasible for this House to force the Hydro Electric Commission to make excessive profits, even if we wanted the commission to do so?

Mr. LAPOINTE: I do not think we can

Sir HENRY DRAYTON: Then the whole of this discussion is beside the mark.

Mr. VIEN: In what way would it be more subversive of the existing principle to tax the Hydro Electric Commission than to submit the National railways to municipal taxation? We have admitted the principle in regard to the National railways. It seems to me that the same principle could be applied to the Hydro Electric Commission by submitting it to the operation of this Act.

Mr. JACOBS: Hear, hear.

Mr. VIEN: The same principle applies.

Sir HENRY DRAYTON: What is the object of this Act but to tax excess profits? Is it to put a premium on excess profits and to raise the cost of carrying on business and the cost of living? Or is it to reduce those costs? The Act has a two-fold purpose: First, to try and get something back out of excess profits; second, to coax the people, if you will, so to run their business that they will not make excess profits, and therefore will not be subject to the tax.

Mr. VIEN: But the minister sees where we are driving to. We are trying to prevent the consumers in other provinces being called upon to pay an excess amount, because they will be charged so much more for current if the various corporations distributing electricity are called upon to pay the taxation that the minister proposes to impose. In other words, we are trying to put the consumers in the other provinces on about the same basis as that enjoyed by those in Ontario by reason of the exemption of the Hydro Electric Commission from this taxation.

Sir HENRY DRAYTON: Does my hon. friend consider that a rate of 10 per cent is a fair profit for a public utility?

Mr. VIEN: Undoubtedly.

Sir HENRY DRAYTON: Very good. Then there is no tax. And if any of these companies realize more than 10 per cent on their investment, I would like to ask my hon. friend whether they should not be taxed?

Mr. VIEN: If you tax them, what will the result be?

Sir HENRY DRAYTON: If my hon. friend will bear with me a minute. He has very kindly answered my question and admitted that 10 per cent is a good return for a public utility. I ask him one further question, which of necessity follows the first: Is it unfair to have an excess profits tax on profits from public utilities which are realizing more than a 10 per cent dividend?

Mr. BUREAU: As a question of principle, I say yes, it is unfair.

Sir HENRY DRAYTON: I am afraid that I have to take issue with my hon. friend.

Mr. BUREAU: The basic principle is that the burden of the taxation ought to bear evenly on all citizens of the country, and in the case of two business enterprises having similar amounts of capital invested, one should not be called upon to pay while the other is not. The idea of the Hydro-Electric is that the profits should be re-invested for the benefit of the consumer. In provinces where there is not such a system as the Hydro-Electric, the consumer of a similar product has to pay what the Hydro-Electric would pay if it were a privately-owned company.

Mr. BURNHAM: Does the hon. gentleman not say that the privately-owned company sells electricity at a lower rate than the publicly-owned company.

Mr. BUREAU: I took that from Saturday Night. I repeat that these publicly-owned systems should not be exempt from taxation; the burden of taxation should be apportioned evenly among all the taxpayers.

Mr. COWAN: Why does not this private company reduce its rates and thus escape the excess profits tax?

Mr. BUREAU: Because the company has not the country behind it; it has to assume all the risk, and it has to provide for the future. It is the same thing with your national railways. I was going to suggest that we tax deficits on these publicly-owned utilities; we would make more money that way than by taxing profits. The people who are imbued with the idea of public ownership do not realize that there can be profits; they come with a deficit at the end of each year.

Mr. LAPOINTE: I do not wish to be understood as saying anything against public ownership. What I claim is that when a province or municipality chooses to enter the business of trading or manufacturing it should be placed in exactly the same position as other traders or manufacturers.

Mr. RICHARDSON: I would direct the attention of my hon. friend (Mr. Bureau) to the experience in Winnipeg, where we established a publicly-owned electric power system.

Mr. BUREAU: What about your telephone system?

Mr. RICHARDSON: They cut the cost of electric power to the consumers in Winnipeg and vicinity about one-third, and are paying a handsome profit in addition. Moreover, they compel competing companies to reduce their rates.

Mr. BUREAU: Let them pay taxes to the federal treasury, then.

Mr. RICHARDSON: The idea is not to pay taxes; they try to give the consumers service at cost.

Mr. BUREAU: Us for ourselves.

Mr. RICHARDSON: No, they pay interest on the investment.

Mr. LAPOINTE: Sinn Fein.

Sir HENRY DRAYTON: I desire to make a slight amendment to clause 2. I move that the resolution be amended by striking out the word "and" in the fourth line thereof and replacing the same by a comma, and by adding after "1918" the words "and 1919."

Mr. FIELDING: Is that an additional tax you are imposing?

Sir HENRY DRAYTON: It is to cover an accounting period with respect to profits on munitions.

Mr. FIELDING: Are you sure you do not need a new resolution?

Sir HENRY DRAYTON: I do not think it is an additional tax at all. No munitions operations were carried on in 1919, but there has been such delay in accounting in one or two instances that we want to make it clear that munitions profits for 1918, although accounted for in 1919, are taxable.

Mr. JACOBS: In many cases these munitions companies have already accounted and gone out of business. Does the minister propose to rake these over again?

Sir HENRY DRAYTON: Oh no, nothing of that kind is thought of. The Act of 1917 was designed to make manufacturers in the small class subject to the ordinary smaller rate of taxation, but manufacturers in that small class who took up munition work and made taxable profits out of it would be chargeable in the higher scale. Settlements have been made in almost all cases, but they are not entirely complete, and the issue is now being raised that the legislation of 1917 did not have the effect of applying to these unaccounted for operations. We think it had; the Department of Justice advises us that it had, and practically the whole matter has been closed on that basis. This will ensure that all will be treated alike; that those who have not yet completed their accounting will be treated exactly the same as others were treated.

Mr. JACOBS: Those who have already paid have been obliged to pay on this basis?

Sir HENRY DRAYTON: Absolutely.

Mr. JACOBS: This resolution is simply to make clear the law of last year?

Sir HENRY DRAYTON: Yes.

Mr. PEDLOW: Do the words "such profits" in the fifth line refer to gross profits or to net profits?

Sir HENRY DRAYTON: Net profits.

Mr. PEDLOW: It is not so stated.

Sir HENRY DRAYTON: I shall be glad to see that that is made right in the Bill.

Amendment agreed to.

Resolution reported and concurred in.

Sir HENRY DRAYTON (Minister of Finance) thereupon moved for leave to introduce Bill No. 157, to amend the Business Profits War Tax Act, 1916.

Motion agreed to, and Bill read the first time.

## WAYS AND MEANS—INCOME WAR TAX.

The House again in Committee of Ways and Means.—Sir Henry Drayton (Minister of Finance)—Mr. Boivin in the Chair.

Resolved, That it is expedient to amend The Income War Tax Act, 1917, and the amendments thereto, and to provide:

1. That the taxes and surtaxes, including the tax upon corporations and joint stock companies, leviable and payable under the provisions of section four of the said Act as enacted by chapter fifty-five of the Statutes of 1919 shall each be increased by five per centum on incomes of five thousand dollars and upwards, such increases to apply to all taxes and surtaxes leviable for any income received during the calendar year nineteen hundred and nineteen, or the income of any accounting period ending in nineteen hundred and nineteen, as the case may be, and for each calendar year or accounting period thereafter;

2. That each person liable to taxation under the said Act and the amendments thereto for the calendar year nineteen hundred and twenty or any accounting period ending in the year nineteen hundred and twenty and for each

calendar year or accounting period thereafter shall deliver to the Minister of Finance, with each annual return of his income prescribed by section seven of the said Act as amended, an amount equal to at least one-fourth of the amount of the tax and surtax, if any, payable by such person according to such return, and shall pay the balance, if any, of such tax and surtax in not more than three bi-monthly instalments thereafter, together with interest at the rate of six per centum per annum from the date prescribed for making such return up to the time of the payment of such instalment;

3. That any person making a return of income less than the correct amount shall pay the additional amount of tax and surtax due and in addition interest at the rate of ten per centum upon such amount until the same is paid.

If such deficiency exceeds ten per centum but is under twenty per centum, such person shall also pay an amount equal to one-half of the amount of such deficiency in addition, and if such deficiency amounts to twenty per centum or more such person shall pay an amount equal to the amount of such deficiency in addition.

Mr. DENIS: What is to be done in regard to those who did not make reports in previous years? There is in the law provision that those who did not make reports in previous years are liable to very severe penalties. I do not know of any such penalties having been imposed, although there is no doubt that thousands of persons in Canada have not made reports according to law. Recently, if I understand the matter aright, those who should have made their reports by the end of April and who did not do so were granted a delay until the end of May, and if they did not make their reports before the end of May, they are to be fined 25 per cent of the tax. Many people who should have made reports under the old law, did not do so, and I would suggest that the Government should take some steps to straighten out this condition of affair. I do not approve of imposing the penalties provided in the law on those who, for some reason or another, did not make their reports, because this is a law which the average man finds it hard to understand, and therefore, I would feel like being lenient towards such people. But this is a question which should be settled, because there are actually suspended over the heads of these people enormous penalties, although, as a matter of fact, these penalties have not been imposed. The Government should announce their policy as to whether these penalties are to be imposed or not, and as to what is to be done regarding persons who, according to law, should have made reports in past years and who did not do so.

[Sir Henry Drayton.]

Sir HENRY DRAYTON: No attempt is being made to make these penalties retroactive. They are not.

Mr. DENIS: That is not the point I raised at all. I know the penalties are not retroactive. Under the old law a person who should have made a report for 1917, or 1918, or 1919, and who did not make a report, was liable to a certain penalty. There is no question that when the Government begin to delve into this matter, they will find out that thousands of people who should have made reports for those years did not do so. Consequently, according to the law in force at that time, those people would be liable to very severe penalties, and I think they should not be subjected to those penalties, because this is a new law very difficult of application; but in the meantime, these people should be made to pay what they owe to the Government.

Sir HENRY DRAYTON: We are endeavouring to collect taxes. I am afraid I shall have to take issue with my hon. friend. We must so frame the law that it is going to pay people to pay taxes rather than run the risk of what will happen if they attempt to evade taxation. The hon. gentleman asks what has been done in connection with these penalties. If I remember rightly, we commenced taking proceedings last August. There art two sets of proceedings: There are proceedings in the police court which are taken when a man does not make a report which he ought to make, and there are proceedings by way of action to force a taxpayer to pay moneys which his return shows, ought to have been paid to the Government, which payments he has not made. On the one hand it is obviously absolutely improper that the Act should be allowed to be looked upon merely as a polite invitation to make a governmental contribution, and on the other hand it is equally improper that the Act should be unduly harshly and improperly forced. What I mean by that is this. I hope it is not going to be necessary to sue and to prosecute every defaulter; it ought not to be; but it is necessary from time to time to issue these writs and these proceedings, and largely as a result of issuing writs and police court proceedings, the collection of income taxes last year increased by 100 per cent. I do not think that any undue hardship has been shown in what has been done. 120 writs have been issued throughout the whole country for the purpose of educating the people as much as possible in regard to the matter and making

them realize that these taxes must be paid. Of these 120 actions, 40 are still in progress and may or may not go to trial, and 80 have been settled by the taxpayer paying everything he ought to pay in addition to all penalties and costs to date. Over and above that, police court proceedings to the number of 96 have been taken throughout the whole country with the same object in view, and out of them we have obtained 55 convictions, we have two acquittals, six cases standing on adjournments and 33 cases awaiting trial in the criminal courts.

Mr. PROULX: Have fines imposed by police courts been remitted to defaulters?

Sir HENRY DRAYTON: The department has remitted absolutely none, and, of course, that is not a matter for the department to do; that is entirely a matter of clemency on the part of the executive, and any action which might be taken would be taken through the department of the Solicitor General. My impression, although I may be wrong, is that none has been remitted. Certainly, if any fines have been remitted, the number would be very small, and such action would be taken only in exceptional circumstances. The fines collected in connection with these criminal prosecutions amount to $33,000. My hon. friend (Mr. Denis) asks what the policy of the Government is. The policy is to collect taxes with the greatest possible celerity. The policy further is absolutely to enforce the provisions of the statute. The hon. gentlemen asks whether the penalties are imposed for delays. They are. Under the Act of last year, if the return is late the penalty is automatically added to the Bill. If anything has been overlooked, I can assure the hon. gentleman it is an oversight.

Mr. MACKENZIE KING: I think my hon. friend has somewhat mistaken the purport of the remarks of the hon. member for Joliette. I do not think my hon. friend from Joliette had in mind directing attention particularly to penalties or the enforcement of penalties. What he was anxious to ascertain was whether the Government has devised machinery that is complete enough to make perfectly sure that every person in this country who ought to pay an income tax does pay that tax, not for this year only but for the past one or two years, because it is pretty generally known that a good many people did not make returns in previous years. We are anxious to know what machinery the Government has at the present time for securing payments that should have been made in previous years, and whether a special effort is being made in that direction.

Sir HENRY DRAYTON: Yes, we are making efforts in that direction. Undoubtedly the returns for the 1917 assessment do not represent the full amount payable, and for that accounting period we have since collected the sum of $6,000,000, and we are following up every accounting period in the same way. Whenever a new citizen who ought to be a taxpayer is found, the tax is not limited to this present year, but is taken back to the very first accounting period. In every single list that I can think of, or that can be thought of—assessment rolls of municipalities, membership of clubs, automobile owners, stockholders in institutions, bondholders of companies, people who receive dividends from any source—all these are being made use of in order to find out who ought to pay the tax, and if we can make it more stringent we shall be happy to do so.

Mr. JACOBS: To give an example of the efficiency of the department, last year in the Budget debate I committed the egregious folly of saying the income tax was a joke. Well, within a very few hours I got my tax bill. This year hon. gentlemen notice that I do not complain of the income tax being a joke.

Mr. SHEARD: Is any provision made to cover cases of dispute between a taxpayer making his return and the department? For instance, a man might claim certain exemptions on account of taxes already paid, repairs to property deducted out of rents, and so on. It is provided here that a cheque for 25 per cent of the amount shall accompany the return. In case of a dispute is there any provision permitting that return to be subject to adjustment without penalty?

Sir HENRY DRAYTON: Cases of disputed assessment are taken up at headquarters, and the thing is checked over there again. If the matter cannot be adjusted in the light of the further information which head office is usually able to give the taxpayer then has the right of recourse to a court of revision, which he may have established at any time he likes. So far as the cheque is concerned, the idea at any rate is that while the taxpayer must make his returns promptly, an equal responsibility rests upon the department of immediately investigating the correctness of his state-

ments and of returning any surplus which he may have paid.

Mr. SHEARD: Suppose the mistake is the other way and the taxpayer has not paid enough?

Sir HENRY DRAYTON: This provision refers, not to a mistake in calculation the taxpayer may make in getting at the tax, but to mistakes in showing his income, which he knows.

Mr. McKENZIE: I do not quite appreciate why such penalties are attached to the collection of this debt, because that is what this tax is. I think we might expect a little more leniency from the Crown and the Government than from the ordinary man who has a debt to collect. This tax is only a debt. It is not a fine. It is not imposed because of any infringement of the law. It is a mere debt, just as the taxes a man pays to a municipality or a town are a debt. If he does not pay those debts, he is subject to the law for the collection of debt. If he does not pay his taxes the minute they are due, he is not subject to imprisonment, and why should he be penalized because he happens to make default in the payment of this tax? I agree that this tax should be collected as expeditiously as possible, but why not provide simple machinery by which a man might perhaps give a short term note for the whole amount? Then if he did not pay the amount when due, he would be subject to be sued; but why a man should be subject to 6 and 10 per cent interest being added, and a fine of some thousand dollars, and imprisonment if he does not pay the fine, I do not quite understand. The minister boasts about the great number of prosecutions they have had as if it were a glorious thing. They have collected a great many fines, he says. They have been holding a bludgeon perhaps over the heads of some poor people of this country because they could not pay the tax. I repeat, this is a mere debt due from the individual to the Crown which should be collected as expeditiously and as cheaply and as humanly as possible. I do not think it is anything for the minister to boast about that, because he has Parliament behind him, he is imposing heavy fines upon people and bringing a lot of them into court. I do not think it is anything to boast about that he has collected in fines the sum of $32,000 from the people of this country. Income taxation is a new thing. The people are not accustomed to it, and I think the greatest possible leniency should be exercised in collecting the tax. The simplest kind of machinery should be provided, and the amplest notice should be given to the people, because lots of them do not understand this thing at all. I submit to the minister that instead of boasting about the machinery he has provided, he should adopt the simplest possible and the least expensive methods of collecting the tax.

Mr. MICHAEL CLARK: I may say that, not perhaps for the first time, I find myself diametrically opposed to the spirited remarks of my hon. friend (Mr. McKenzie). I do not think this is simply a debt. It is a duty to the state; it is a civilian and financial duty to the state comparable to the military duty of the soldier, not in the matter of risk, but in the matter of duty. If a soldier in the ranks defaults, if he deserts, he is shot. What the people of Canada want at the present moment is to be inspired by the example of the soldier in the trenches. I think every civilian in Canada should bring to the work of reconstruction in Canada for a period of six years anyhow, as against the four or five years of the war, the same spirit the boys showed, and had to show, in the trenches. I do not think I need say another word in strong support and commendation of the attitude of the minister in this regard. There is no commoner criticism by the man in the street of this Government than that there has been laxity in the collection of the income tax and in the enforcement of the Act, and my hon. friend (Sir Henry Drayton), I am sure, will meet that criticism best by carrying out his duties in the spirit of the remarks he made a short time ago.

Mr. VIEN: Although I appreciate fully the remarks made by the hon. member for Red Deer that the duty of a taxpayer is very similar to the duty of a soldier who is called upon to serve, I must say that his remarks were not to the point raised by my hon. friend (Mr. Denis) and my hon. friend (Mr. McKenzie). These gentlemen do not pretend that it is not the duty of the taxpayer to pay the tax, but they do say that the taxpayer, like the soldier, should be instructed in regard to the nature of the duty which is expected of him. The soldier in the ranks is not called upn to fill any perilous post until he has been thoroughly trained in the work which his duty involves. The taxpayer of Canada is now charged with the responsibility of complying with entirely new regu-

lations, and while he has no desire to evade that responsibility and escape paying his tax he certainly does want to know just what he has to do. I would submit to the minister, not critically but as a constructive suggestion, that pamphlets should be very widely circulated among the public, giving all the details in regard to the application of the law; and that on the forms themselves which the taxpayers are called upon to fill up complete information should be given so that no one may be taken by surprise. Personally, I did not know that 25 per cent had to be paid as a penalty if the statement was not made within a certain period. I realize quite well that ignorance of the law is no excuse; but when a new law such as this is introduced it seems to me that some consideration should be given to the public, who are not posted on matters that are passed in Parliament. I therefore suggest to the minister that these pamphlets be distributed in all post offices and other stations where forms are given for the taxpayer to make his return. I do not see why any one should be penalized to any serious extent because of some slight omission or some trivial error in regard to the making of returns, and before any drastic steps are taken I certainly think that the taxpayer, just like the soldier, should be fully instructed in his duty.

Sir HENRY DRAYTON: I entirely appreciate the suggestion of the hon. member, and I think that probably he more correctly understands the attitude of the Government than does the hon. member for Cape Breton (Mr. McKenzie). The Government is not taking any delight in prosecutions, and there is absolutely no such idea in any one's head. Prosecuting is a nasty thing to have to do, but because it is nasty and undesirable is nevertheless no reason why it should not be done when the country has been defrauded of moneys which are properly payable to it. We welcome all constructive citicism, and I should like my hon. friend to supplement his suggestions. Now, what we have done this year is to advertise, in every single daily newspaper published in this country, the fact that these returns must be made. Furthermore, you will find the advertisements in every weekly paper in Canada. These advertisements have run for a period of six weeks, and they are to be found in almost every newspaper at least six times. In addition to that, tens of thousands of pamphlets have been distributed, and you will see them in shop windows, on billboards and in street cars. We have done everything we could possibly think of to advertise the tax and the penalty that will be imposed if the return is not made.

Mr. DENIS: The minister is inviting constructive criticism and I know that he is considering this subect in a broad and conciliatory spirit, and in that spirit I wish to submit to him a case that came to my notice some time ago. A rich farmer came to me and said that he had his report all ready but there was a question in regard to which he found himself in a quandary to make an answer. He was asked whether he had made his report for the year 1919.

Sir HENRY DRAYTON: 1918.

Mr. DENIS: Yes, 1918. This question was asked in the report and he pointed out that if he had said "Yes" he would not be telling the truth, whereas if he gave an answer in the negative he would be placing himself in the hands of the Government officials who would immediately take civil proceedings against him. On the other hand, if he made no report now he might obviate the necessity for making the answer and would so avoid the consequences of his negligence. He wanted to know what he should do; it was a question whether or not he should make his report. The fact that he had made no report in 1918 was due either to his ignorance of the law or to a misapprehension as to its exact provisions, call it what you will. It is a fact, however, that when a new law such as this is enacted numerous mistakes of every description occur. This man said that his failure to make the report was not due to any desire to evade his responsibility, but he was now in a dilemma and he wanted to know what I, as a lawyer, would suggest in the circumstances. I replied that I would take no responsibility in the matter, but I pointed out that if he made no report now he might stand a chance of escaping; while, on the other hand, if he reported, he would have to tell the truth and put up with the consequences. I left him to take his choice. Perhaps some one will suggest that I was not doing my duty as a lawyer in putting the situation before that man as I did. Well, I have my own view so far as that is concerned; but now I shall do my duty as a member of this House and as representing that man among others and ask that in such a case some opportunity be given to a taxpayer to make a report without any apprehension in the matter. Will you not allow him to make his report for the past year when he does that? At all events surely you are not going to ruin

him with the very heavy penalties which are being imposed by this law? Give him a chance to make his report and if you do so then I will call him back to my office and say, "Now is the time to make your report. Make your report and tell your friends in your parish, and in the next parish and everywhere, that they have to make reports—that the Government has afforded them the opportunity of making reports without being strangled." They will make their reports accordingly and in future the law will run smoothly. If a man who has once made a report should not continue to report he will be in bad faith, there is no question about it. But when it comes to making the first report, and when we come across a man in such a case as I have mentioned, I think the Government should afford him an opportunity to make his reports. In the meantime I say to the minister this is one of the reasons which prevents the collection of other taxes, because these people are afraid to make their first report for fear they will be called on to pay penalties in respect to it. I want it well understood: they do not refuse to pay for the past year, but they are afraid of the very heavy penalties to which they will be exposed the very moment they make their first report.

Mr. CROTHERS: I was very glad to hear the Minister of Finance state that he would welcome any suggestions that might improve the methods of collecting the income tax. I think the great majority of the people regard an income tax of any sort as an unwelcome visitor; and it is doubly unwelcome if the provisions are so complicated that the ordinary man does not understand how the sum that is required to be paid has to be made up. We have three statutes, or portions of statutes, in operation in regard to the income tax, and I suppose we will have another this session, which will make four. We have now in operation the normal, the super tax and the surtax. The last has always seemed to me most absurd; it is not a tax on something that is coming in, but it is a tax on something we are paying out. That is, the normal and supertax are added together and there is a tax put upon the aggregate of the two sums, which is called the surtax. I do not know whether there is any such tax as that in England. There is not in the United States. They have two kinds there. What we call the supertax they call the surtax; there they have only the two kinds, the normal tax and the surtax.

[Mr. Denis.]

Now the system is very complicated as it stands together; the man of ordinary ability cannot make it out at all. I want to confess that with the figures from the Finance Department before me, and taking up the three statutes—1917, 1918 and 1919—I laboured a whole half day and I could not for the life of me make out from those three statutes the authority for the figures sent me—I have no doubt they are correct—from the Finance Department. Now the ordinary man cannot make them out at all. I have spoken to a great many on the subject and they have said, "The whole thing is so complicated I cannot understand it. I accepted the figures of the department and said no more about it." That is all very well. The Finance Department, I take it, have sent out correct figures, but I, for one, want to take the statutes and see how those figures are arrived at. I think every man would like to do that, but as the statutes stand to-day he cannot do it. There are so many amendments and sub-amendments, so many clauses and sub-clauses, that you cannot figure out the authority for the sum they say you owe. What is the proposition now? It is that a man who is liable to pay an income tax shall not wait until he is notified by the Finance Department of the amount of this tax, and it is thought that is going to simplify matters. I venture to say that instead of simplifying matters, the work of the Finance Department is going to be doubled. I don't believe that one man in ten will be able to make out correctly the amount he has to pay. I confess I am not able to do it with the three existing taxes, and with a fourth I shall despair entirely.

Mr. PROULX: Your income is too large.

Mr. CROTHERS: What is going to happen? A man will make out the figures in a way—he is obliged to do that, otherwise he will be penalized—and will send them in to the Finance Department; but I will venture to say that in nine cases out of ten the figures will be wrong and the Finance Department will have to prepare the figures over again themselves, thereby greatly increasing the work of the staff. I want to suggest that these taxes should be simplified so that an ordinary man can understand what is required. How can that be done? To-day a married man is exempt up to $2,000. On the first thousand above that he is taxed 2 per cent, which is $20. I am not objecting to that, perhaps it is all right, but on the amount over and above $2,000, why not make it 2½ or 3 per

cent; if it is $3,000, 4 per cent; if it is 4,000 or $5,000, 5 per cent—I just give these figures as illustrations; I do not mention them as the proper percentages—and carry them on right up to $50,000, $100,000, $200,000, $500,000 and $1,000,000. Then when a man has ascertained what his income is it is a very easy matter to determine what amount of tax he should pay; for example in the case of $3,000, it would be 3 per cent, after deducting $2,000 for exemption. It seems to me that would make the matter perfectly simple and in that way you could get after the man with a large income just as well as you can now. Figuring out my income it would be about 5 per cent on the whole sum. If your income is so many thousand dollars it will be a simple matter to apply the percentage to it, and there is the result at once; it would not require a Philadelphia lawyer, or any other lawyer, to figure it out for you. As I say, it is of greatest importance that the matter be simplified. I would consolidate these four statutes and express the purpose in a few words so that anybody could understand it; as it is now nobody comprehends these statutes. Why should you not make the law as simple as possible so that every man might know how the sum he is required to pay is made up, and then be able to figure it out himself and see if the amount asked for is right and verify it? Personally I am in favour of there being no exemptions whatever, except perhaps where incomes are less than $500, and for two reasons. I have previously suggested that a man whose income is $500 should be required to pay one-quarter of 1 per cent, which would be $1.25. That man has to go right down into his pocket and get $1.25. He realizes that his country is heavily in debt and that the income tax has been imposed for relieving the country, at least partially, of that debt. The payment of such a tax would exert an educative influence on that man. If the income is $1,000, I would have the tax on one-half of 1 per cent which would be $5 a year; if $1,500, so much tax; if $2,000, so much more. I am not arguing for a large sum to be collected on small incomes, but the tax should be so levied that every man who votes pays something on account of our national debt. It would also have a wholesome influence upon those who determine the expenditure of these moneys. The people are paying taxes now, but most of them do not know it. The wholesale man pays the customs duty at the border, and the consumer has to pay that duty, but he does not realize the fact. If he had to go down in his pocket for every dollar of taxes that he pays indirectly he would realize that he was paying a heavy amount of taxation, with the result that he would watch closely where that money went, and in that way I think it would have a wholesome effect on those who determined the expenditures here. I am sure the Minister of Finance would be very glad to simplify the matter so that every man would know exactly how the amount of taxation required from him is arrived at, and I hope he will see his way clear to put my suggestion into effect.

I repeat that to require a man to send in a cheque for a portion of his income tax when making his return will quadruple the work of the Finance Department, for I do not think that one man in ten will be able to figure out the correct amount to be remitted.

Mr. McKENZIE: I fully concur in the observation of the hon. member for West Elgin (Mr. Crothers) that the present law is very complicated. I do not know whether I am getting a better or a worse lawyer as I grow older, but I devoted all the morning to a study of these statutes, and, like my hon. friend, at half-past one I gave up the task in despair, for I found it hopeless to make any sense out of the original Acts and the many amendments thereto. For instance, the amendments of 1917 and 1919 are very complicated indeed, and I am thoroughly in accord with my hon. friend's suggestion that the four statutes should be simplified and consolidated so that all who run may read what are their tax obligations.

We thought we were fighting in the great war not only to safeguard the rights handed down to us by our ancestors, but to acquire the further rights of advanced civilization. I know there was a time in British history when a man was hanged for stealing a sheep, but I never heard of his being shot on the spot. Therefore I am surprised that a distinguished statesman like my hon. friend from Red Deer (Mr. Michael Clark), after the war is over, should propound the policy that any man who will not pay up the last half-penny under these complicated statutes—which ordinary lawyers cannot make out—should be shot on the spot; and I am further surprised to find the Minister of Finance bow his assent to the observations of the hon. member for Red Deer. I have no doubt that the minister made this mental note: Well, thank fortune, although the hon. member for Red Deer and I do not agree upon all things, there is at least one thing upon which we agree, that if any man under one of these complicated statutes

comes short one half-penny in his tax returns, he shall be led out as a lamb to the slaughter and shot before the rays of the sun pierces the western horizon—

Some hon. MEMBERS: Oh, oh.

Mr. McKENZIE: Well there will be just a little glow in the eastern sky which will gradually extend towards the western horizon. We are told that Paul was executed at a very early hour, and I am quite sure that my good friend from the West is familiar with the grey dawn on the hill when the good old Apostle was done to death. That is the time when, in this twentieth century, my hon. friend wants to have these poor delinquents aroused from their beds at midnight—as they were at Winnipeg—and taken out and shot. I hope, indeed, that the hon. gentleman and the minister will change their minds, and that instead of introducing martial law in connection with the collection of these taxes they will be satisfied to fall back on the simple old method which has heretofore served our purpose very well. I think they will find it much more convenient in the long run, especially as they will not be able to collect the heavy taxes which the hon. member from North Ontario (Mr. Halbert) told us the other day were collected on coffins, for, according to tradition, people who are taken out and shot at down are buried where they fall. I think my good friend from Red Deer has come to a conclusion a little too speedily this time in advocating this new method of tax collection, and I hope he will reconsider his position.

Mr. MICHAEL CLARK: I am not lawyer enough, Mr. Chairman, to be able to give an opinion as to whether my hon. friend's law has improved, but I am certain that his humour is getting heavier, and I do not know that his fairness is increasing. I cannot conceive of any one who listened with any care to what I said forming an opinion that I for one moment suggested that a similar penalty should be applied to a man for not doing his civil duty as was applied to a soldier in the trenches for desertion. I did not say a single word that would lend itself to such an interpretation, and it is almost a shame that a man should have to get up to disavow any intention to convey such a meaning. Neither the war, nor collecting the expenses of the war, Mr. Chairman, is, after all, a joke. I would commend that to my hon. friend who comes from Cape Breton (Mr. McKenzie). We admire his humour on occasions, but a $2,000,000,000 debt is no joke. I would not like to charge my hon. friend with trying to make political capital along the line of misrepresentation, but he went very near the border line. I said nothing about shooting any one for not paying his taxes. I asserted a fact about military punishment, and in regard to the discharge of the civil duties of the minister in the collection of the taxes I used the word "spirit." I commended the spirit of fairness in which he had promised the House and the country that he was going to approach the collection of the income tax. I want to say to my hon. friend (Mr. McKenzie) that if he has any sympathy with rich men in evading the duty of paying their taxes, after the sacrifices that have been made and the lives that have been lost in the trenches, then I have precious little of that sympathy. My sympathy is with the poor who are taxed when they should not be; it is not with the rich who have large incomes and who try to avoid the payment of their taxes. I do not know that I should have risen for the purpose of replying to my hon. friend, because there was nothing to reply to; I rose for the purpose of stating my position so clearly that there could not possibly be any misapprehension of it.

Mr. McKENZIE: I still say that a tax is a debt. True, it is a debt to the Crown, and it is thus differentiated from a debt to an ordinary individual. My hon. friend (Mr. M. Clark) says that this tax is not a debt; that it is in the same category as a military duty. Well, I have a perfect right to suppose that it was running in my hon. friend's mind that the same line of action ought to be followed in case of default in connection with these taxes as is followed in case of default in military matters. The man who fails to do his duty when under military discipline must be shot; the man who fails to do his duty in furnishing the money for war purposes must also be shot. That is my hon. friend's line of reasoning, as I understood it. I do not want him, however, to take the matter too seriously, because I myself was not too serious. I am sure that he would be the last man to take part in any such gruesome procedure as he seems to suggest.

Mr. PEDLOW: The minister has asked for suggestions. Now, my suggestion is that all the words of the clause after the word "return" in the seventh line be struck out and something of this nature be substituted therefor:

Not later than April first in each year and shall pay the balance at the rate of six per

cent per annum in quarterly payments on July first, October first and December first.

My reason for making this suggestion is that the clause should be more specific as to dates of payment. Under the present system, statements are sent out and returns sent in at varying periods; a man may receive his statement months ahead of his next door neighbour, and when they begin to compare notes there is dissatisfaction all round. The change which I suggest would, I submit, be of advantage to the Taxation Department as well as to the taxpayer, because it would be an inducement to the department to send out their tax bills on or before a certain date. If it is intended that the department shall not send out statements before the first payment is made, then the taxpayer may send in his return with his first instalment, or the entire amount if he chooses, on the first specific date named; or, if he pays only the first instalment, may pay the balance as set forth in the suggested amendment. It would be a great advantage to large corporations as well as to individuals of considerable income if the payments were spread over the entire year. I think that the adoption of this suggestion would be a decided improvement.

Sir HENRY DRAYTON: The hon. member for Joliette (Mr. Denis) cites a case of hardship which he has run across in his practice as a lawyer. He does not know whether he did the right thing as a lawyer, but I think he is quite of the opinion that he did the wrong thing as a legislator, and he now wants to get the right thing done. I hasten to set his mind entirely at rest in connection with arrears of 1917 and 1918. In those years very many people did not know much about the Act; it was entirely new, and there was much doubt about it. Consequently, we are not seeking to penalize any who have not made their returns, so long as they are honest now and tell us the truth. But the time has come when they ought to tell the truth, and if they do not tell the truth they will be hurt sooner or later. What I mean is this: There are still people who have not paid their taxes for the years 1917 and 1918. Perhaps not to-day or to-morrow or the day after, but sooner or later, they will be caught. If any man chooses to come forward, make his return for 1919 and tell the truth also with regard to 1917 and 1918, he will not be punished in respect of the arrears; he still has the opportunity to make the returns for 1917 and 1918 so that my hon. friend can without fear advise his client to do the honest and proper thing.

I agree with much that the ex-Minister of Labour (Mr. Crothers) said. All tax laws are more or less technical and difficult to understand, and of all tax laws the graduated income tax is probably the most complicated, particularly when it is a new tax. There is no doubt that a certain amount of difficulty is experienced in arriving at exactly what amount of income tax ought to be paid. Parliament went some way last year in setting out in the Act of 1919 a pretty clear schedule, showing plainly how the percentages of payments increased, as I recollect the matter, in $2,000 spreads. I do not think a lawyer would find very much difficulty in figuring out the taxes under the Act of 1919. Perhaps I should not say that, because a good business man, certainly a good accountant, can handle a taxing statute much more easily than a lawyer can. There is no doubt a difficulty exists in connection with the matter, and we propose to get away from it in this way. We intend to have, either printed on the returns themselves that are sent out for next year, or attached to the returns, a list showing incomes of different amounts with the exact amounts of the taxes that ought to be paid on those incomes. Therefore, there will be no difficulty whatever for the taxpayer who wants to pay and who knows his income—and if he does not know his income, we cannot assist him in that regard—on looking at that list, to see just exactly what sum he ought to pay. It is true we shall not print on the returns copies of these Acts with their more or less complicated provisions, nor shall we go through the matter chapter and verse, showing how the computation is made up; but we shall see to it that the computation is right and that the list can be safely and easily followed.

I fully appreciate the suggestion made by the hon. member for Renfrew South (Mr. Pedlow). He is perfectly correct. Bills have been delayed and bills have gone out at different times. The reason for that is this: Under the former statute the department had absolutely no right to recall an assessment that had been made; an assessment once made stood. That meant that every man who was honest and zealous in his duties made no assessment until he had absolutely satisfied himself that he had checked up every single item that ought to be checked up in connection with a return that was made, and therefore the bill would go out only when that information was ob-

tained. In connection with some incomes, that information could be easily and readily got at, and the bill went out promptly. In other cases, the bill went out perhaps only after a lapse of months, and in cases of incomes where investigations had to be made into excess profits earned by certain companies, such inquiries might last a year, and the bills would go out at different times with the result the hon. gentleman has pointed out. We are proposing to change that entirely; we intend to frame the law so that the duty is placed directly upon the ratepayer, who knows his income and who is given this list which will tell him exactly how much taxes he ought to pay on that income, of making, in the first instance, his assessment. The question of time is something which we give only for the convenience of the ratepayer. It would be very convenient if every one could afford to pay his taxes in full at once; but unfortunately some people cannot do that, and time is more or less wanted. Time is given by different municipalities, either in withdrawing deductions or in having ascending percentages of interest if payments are delayed, so that the municipality loses nothing by giving time. The ratepayer has a period of weeks within which to make a return. We do not want him to wait until the very last day on which the return ought to come in; it is a great deal better for the Administration that returns should come in just as quickly and regularly as possible. The idea is, after a ratepayer has made his return, to give him time in the manner indicated. This is a matter for each ratepayer, and I do not think any difficulty should arise, because this provision will apply automatically. If a man makes a return and sends in a cheque on the first April for only a quarter of the amount of the tax, he will have to pay another quarter on the first June, another quarter on the first August and another quarter on the first October. If his return is delayed and does not come in until the first June, his two-months' periods would run on just two months later. He would, of course, have the privilege of paying interest at the specified rate for that much longer.

Mr. CROTHERS: What is the objection to the simple process that I suggested of 2 per cent on the first thousand, 3 per cent on the second thousand, 4 per cent on the third thousand? There must be some reason or the minister would not have the tax as it stands. If there is any explanation I should like to have it.

[Sir Henry Drayton.]

Sir HENRY DRAYTON: We have the tax now very nearly in the manner suggested by my hon. friend. Of course, we have to have, in connection with all graduated incomes, different scales of rates.

Mr. CROTHERS: It might be all one class.

Sir HENRY DRAYTON: It is not in one class, because the classes here are divisions which can be arrived at only by having regard to the amount of the tax. The richer man must relatively pay much more than the small man with the small income. The tax as it now stands commences with the lowest rate of 4 per cent of normal tax on the small income; that is, 4 per cent on all incomes exceeding $1,000 in the case of unmarried persons and $2,000 in the case of married persons, and it runs from there to $6,000. After you reach an inome of $6,000, the tax on everything over that is 8 per cent, no matter how large the income is. That is the normal tax. Then there is a list of tables furnished showing how the surtax is to be arrived at. The first surtax starts with a tax of one per cent on the amount by which an income exceeds $5,000 and does not exceed $6,000; then the tax is 2 per cent on the amount by which an income exceeds $6,000 and does not exceed $8,000, and so the list goes on. I do not think the public should have much difficulty in finding out exactly what the tax is if the calculations are made by the department and the exact amount of the tax for different incomes shown on the return.

Mr. EULER: I understood the minister to state that in cases where men have failed, for any reason whatsoever, to make returns for 1917 or 1918, as the case may be, if they now confess their misdeeds or their lack of action, no penalty will be imposed. I have no fault to find with that at all; but supposing it happens now that a man has not made a return for 1917, or 1918, or 1919, and he now makes his return, is he going to be charged a penalty for not making a return for 1919?

Sir HENRY DRAYTON: Yes.

Mr. EULER: But not for 1917 or 1918?

Sir HENRY DRAYTON: No.

Mr. EULER: It does not seem to me to be altogether just to do that. Supposing a man made his return and paid his taxes for 1917, made his return for 1918, but did not make his return for 1919, let us say,

by the end of May. I assume from an item I saw in the newspaper— and I think it is according to the law—that if he did not make his return for 1919 by midnight of May 31 last, he is liable to pay an additional 25 per cent of the tax. There you have the case of a man who after all has paid his taxes for 1917 and 1918, though he has been a little remiss in 1919, and he gets worse treatment than the man who has neglected his duty during all those years. It does not seem to me to be fair.

Sir HENRY DRAYTON: The hon. gentleman does not quite appreciate the position. The position is exactly the same for both so far as 1919 is concerned. We have expended so much money in advertising and have made the thing so public that at least so far as 1919 is concerned there is no excuse that I can think of which would justify default. As to the man who has made no return for 1917 or 1918, and who has made no return for 1919, while no penalty is to be exacted for 1917 or 1918, if he comes forward to-day with a return for 1919 giving the information as to 1917 and 1918, he will have to pay the penalty for 1919. So, as far as that year is concerned, the two taxpayers are in exactly the same position. Of course the excuse of ignorance, novelty, and the like, which might apply to some people certainly cannot apply to the man who made a return for 1917 and 1918 and therefore knew about the law.

Mr. PROULX: If a man marries at the end of an accounting period, say in the last month of the year, is he considered a married man?

Sir HENRY DRAYTON: If he marries any time during the year.

Mr. PROULX: He might reduce his taxes by marrying in the last month of the year.

Mr. McKENZIE: I want to bring to the notice of the minister a matter about which I spoke to him some time ago in connection with the exemption of certain persons. I understand the law to be that a single man has now an exemption of $1,000. Now there are men in this country who must be regarded as single, but who nevertheless have to keep house and have a housekeeper, servants, and so forth. I have reference to clergymen of the Catholic church. I do not think it would be the intention of the minister or the Government to regard these men who must keep house and have a very substantial class of servants as single men who have not the responsibility of housekeeping. I have had many letters from these men and I submitted this argument to the minister some time ago, and he was good enough to write me that he would give some attention to it. I do trust that the minister will give some consideration to this class of men. Certainly $1,000 seems a very small exemption for men of that class, who have all the responsibilities of clergymen who are married men with families and who keep house. I call this matter to the attention of the minister because I think from the very beginning it was an oversight not to have made an exception in the case of these men.

Sir HENRY DRAYTON: I have a good deal of sympathy with the hon. member in this case, but there is some difficulty in further increasing exemptions. We have heavy exemptions now, and while it is perfectly true that the clergy of the country are, as a rule, very much underpaid, it is also true that the houses they live in are, as a rule, subject to no taxes at all. In other ways it would be somewhat difficult in a tax of this kind to make the exemption that is desired. It certainly could not be done upon the ground that some of our clergy were unmarried, or in the case of the clergy of the Roman Catholic church were prevented by their obligations from getting married. It could be done on the ground, I assume, that an unmarried clergyman should have an exemption of $2,000. It would be an exemption, therefore, of clergymen as a class, while other unmarried men would be differently treated. It might be that some consideration might be given to the question in the Bill, not upon that ground but upon the ground whether a man who really keeps house, and a woman who keeps house, whether married or single, or widow or widower, should not as housekeepers receive a certain exemption.

Mr. McKENZIE: Of course, I see that there are some difficulties in the way, but it seems to me the people generally would be satisfied that all clergymen should be exempt from this tax. Of course, the tax would be all right in the case of a wealthy man who had other sources of income besides his stipend, but in the case of those who have to depend on their stipend I think it would be quite proper under present conditions to exempt them from this tax without making any distinction as to denomination. What I said before I stand by, that these men I referred to must necessarily by reason of their calling be single, but at the same time they must keep a house with all that pertains to it, and I

think their case should be taken into consideration. I would go further and say that all clergymen of all denominations should be exempt from this tax.

Mr. COWAN: Nothing doing.

Mr. DENIS: In the Budget Speech the Minister of Finance said:

> The returns will be carefully checked by the department, and in cases where it is discovered that overpayment has been made by the ratepayer a refund for the amount must be immediately made to him or applied on any instalment due or becoming due.

I fail to find any such provisions in the resolution. Is that simply an oversight?

Sir HENRY DRAYTON: It will be in the Bill.

Mr. DENIS: I understand it should have been in the resolution also.

Sir HENRY DRAYTON: It should be there.

Mr. PEDLOW: I should again like to refer to the suggestion I made a short time ago, which I do not think the Minister of Finance quite appreciated. Clause 2 seems to me to be rather indefinite, and it was with the object of making it more specific that I made my suggestion. Clause 2 reads in part as follows:

> That each person liable to taxation..... shall deliver to the Minister of Finance, with each annual return of his income prescribed by section 7 of the said Act as amended, an amount equal to at least one fourth of the amount of the tax and surtax, if any, payable by such person according to such return, and shall pay the balance, if any;

and so on. My suggestion is that specific dates should be mentioned for making the first return and the first payment on the tax. I think that my suggestion to let payments be made quarterly would not cause any hardship to the department, and it certainly would be a great convenience to the taxpayers. I would suggest that the first payment be made not later than April the first, and subsequent payments quarterly, on the first of July, the first of October, and the first of December of each year. The department would then know when to expect these several payments. In think the suggestion is worthy of consideration, and if it is not adopted, the clause might be amended to include a provision somewhat along that line, making it more specific.

The CHAIRMAN: Do I understand the hon. member to repeat this as a suggestion? He has sent me a copy in writing. Does he wish to be considered as moving this as an amendment?

[Mr. McKenzie.]

Mr. PEDLOW: It was not my intention to submit it in the form of an amendment. I understood the Finance Minister to ask for suggestions, and I simply suggest this for the minister's consideration.

Resolution reported and concurred in.

Sir HENRY DRAYTON thereupon moved for leave to introduce Bill No. 158 to amend the Income War Tax Act, 1917.

Motion agreed to and Bill read the first time.

## CIVIL SERVICE ACT AMENDMENT.

### CLASSIFICATION TO DATE FROM APRIL 1, 1919.

On motion of Hon. Newton W. Rowell (President of the Privy Council) Bill No. 53 to amend the Civil Service Act, 1918, and the Civil Service Amendment Act, 1919, was read the second time and the House went into committee thereon, Mr. Boivin in the Chair.

On section 2—temporary employment outside of Canada.

Mr. MACKENZIE KING: Will the minister please explain the effect of this section?

Mr. ROWELL: The effect of the section is to extend the limit of time within which temporary or emergency appointments outside of Canada can be held without approval of the commission, from thirty to ninety days. Where emergency work arises and it is necessary to employ a person at once to do it, the appointment may be made by the officer of the department in the locality in which the work is to be done. Under the law as it stands, the appointment must be submitted to the Civil Service Commission for approval by them within thirty days. Hon. members will see that where emergency employment is outside of Canada it is physically impossible to submit an appointment to the commission within thirty days, and this makes it ninety days.

Mr. FIELDING: What is the present section in regard to this matter?

Mr. ROWELL: The present section reads:

> When employees are required on short notice for emergency work outside the city of Ottawa, the responsible agent or officer of the department requiring such extra assistance may engage the necessary employees, and the said agent or officer in each case shall forthwith report to the commission through the

deputy head of his department the names of the persons so employed. No such employment shall extend beyond thirty days unless approved by the commission.

The effect of the amendment is to extend the term of employment, in emergency work that arises outside of Canada, to ninety days.

Mr. FIELDING: The thirty-day limitation remains so far as employment within Canada is concerned.

Mr. ROWELL: Yes.

Mr. J. H. SINCLAIR (Guysborough): How many employees are there outside of Canada?

Mr. ROWELL: Two or three hundred altogether. They are principally in the Immigration service and in the High Commissioner's office. There are also Trade Commission offices under the Department of Trade and Commerce.

Mr. J. H. SINCLAIR: Are those temporary employees?

Mr. ROWELL: No, they are not temporary employees. This amendment applies to emergencies where it is necessary to engage temporary assistance for work which is required to be immediately done.

Mr. McKENZIE: What is the law in respect of employment in Canada?

Mr. ROWELL: In the case of any emergency employment of this kind outside the city of Ottawa, an arrangement may be made by an officer of the department in the district for the employment of assistance, but that employment cannot continue for more than thirty days without the approval of the commission. It must be reported at once, and unless the commission approves, such employment ceases at the end of thirty days. So far as employment outside of Canada is concerned, it will be obvious to hon. members that it could not be possible to report to the commission and obtain its approval within thirty days, and it is to meet that situation that the time is being extended to ninety days.

Mr. McKENZIE: I do not see what authority our agent in New York, for instance, would have in the employment of men, by reason of any law which we might pass. We cannot pass any law directing what shall take place outside of Canada. Our law could have no effect in the state of New York.

Mr. ROWELL: I think my hon. friend overlooked the fact that this Parliament can control its own employees, and that our own agents employed outside of Canada are subject to our jurisdiction.

Mr. FIELDING: I think that in another part of the Civil Service law there is a provision that temporary employment shall not exceed so many days in any one year. I merely offer that for the consideration of the minister.

Mr. ROWELL: There is a provision under the law as it stands which will apply to all these cases, to the effect that temporary employment shall not be made for a longer period than six months. I think there also exists a provision that the Civil Service Commission may grant an extension, but that extension is limited to six months, and would apply to all such appointments as are covered by this section.

On Clause 3—appointments of civil servants who resigned and went on active war service overseas.

Mr. PEDLOW: As I read this clause its application will be such that a civil servant who, in the early part of the war resigned his position and went overseas, upon his return is eligible only for the identical position which he vacated and at the very same salary. In the meantime young men who did not go overseas but remained in the service obtained promotion and an augmentation of salary from year to year and are four years ahead of the other man notwithstanding his valiant and laudable record. If my interpretation of this clause is correct it means that the young civil servant who went overseas to fight for Canada is discriminated against as compared with the young man who peacefully remained in the Government service at home. I know of a case in point where a youth resigned his position in the Civil Service in 1914, went overseas and remained there for four years. Upon his return to Canada he was re-admitted to the position he formerly held, but in the meantime those who remained had been advanced from year to year and were drawing a higher rate of pay. They were advanced both as regards status and salary, and this particular young man upon returning was given only about two-thirds of the salary paid to those who had stayed at home. I maintain that is discrimination against the young men who did their duty and fought for their country overseas.

Mr. ROWELL: I think my hon. friend is in error. He certainly is in error in his conception of the meaning and effect of

this clause. The clause in question is to remove a disability that now exists in this sense: At present a man who resigned from the service to go overseas stands in exactly the same position as any other applicant for appointment to the public service—he has no preferred position. This is to give him a preferred position, so to speak, for eligible posts in order that he may be reinstated without having to compete with others who have not been in the service or did not go overseas, and it provides that he may be appointed either at the salary he was receiving at the time of his resignation, or the minimum salary of the class in which the position is classified, whichever is the higher. In other words, he may be appointed to a class higher than the one which he held when he went overseas, if he is qualified for it, and in that case he would secure a higher salary. If he is not qualified for a higher class, he becomes eligible for reappointment at the salary he was receiving when he went overseas. I have no knowledge of the particular case to which my hon. friend referred, but I do know that generally speaking the men who went overseas secured their promotions and increases during the period they were on such duty. That was the general rule and practice.

Mr. PEDLOW: I would infer from the minister's remarks that the clause implies a discrimination. As a matter of fact it is a discrimination against the young men who went overseas for the reason I have already stated. Those who went overseas in 1914 upon returning to Canada found that their associates who had remained at home had been promoted during their absence and were receiving a higher salary and enjoying higher rank than was vouchsafed to them. Then again there is the further point to be considered: Will these young men to whom I have referred—who resigned their positions and went overseas—obtain consideration in the matter of superannuation and retirement allowances? Will the years that they spent abroad be considered in the application of these features of the Civil Service Act?

Mr. STEELE: I would like to say a word or two in support of the point which my hon. friend from South Renfrew has raised. I was waiting until the Estimates came up to bring the matter forward, but seeing that it is already before the House perhaps we should express our views upon it. I quite agree with what my hon. friend (Mr. Pedlow) has said. There are a considerable number of young men in the service who enlisted two, three or four years ago, and went overseas, and who, on coming back, find that those who did not enlist but remained at home, have received promotion as regards both status and salaries—in other words, the relations of the two classes have been changed by the enlistment of the first mentioned class. Had they remained at home they would have received promotion, but owing to their being absent other men have been promoted and on their return they have had to take inferior positions as respects work and salary. I have had several cases brought to my attention, and I think the matter is one that should be looked into and rectified either by the Government or by the commission. We know that the civil servants who enlisted in the early days of the war received their salary as members of that service during their absence, but that privilege was not accorded to those who enlisted in 1916. They went overseas without any salary from the Civil Service and have returned to find that they were put back, as it were, in their standing in the service. While not done intentionally it results in their being penalized for having gone overseas to serve the country, whereas the men who did not enlist, or did not cross the Atlantic, have received any favours which were coming. From the information that I can secure I am under the impression that the fault is largely due to the head of the branch. Where the head of the branch was willing to do justice to these young men no difficulty has occurred, but it has been entirely different in other cases where the chief of the branch had control over the promotions of these men. I think where the head of a department has been anxious to do justice to the young men who enlisted no difficulty has arisen. I would strongly advise the Government to see that the cases I have referred to are adjusted. I think it most unfair that any patriotic young man should be penalized for doing his duty at the front, those who stayed at home being rewarded at his expense.

Mr. ROWELL: I entirely agree with the sentiments expressed by my hon. friend. There are two classes involved: First, those who resigned and went overseas; second, those who went overseas and retained their membership in the service. The great bulk of the civil servants who went overseas are in this second class. Those who enlisted early in the war received their full pay in addition to their military pay; at a later date those who enlisted got whichever was the higher of the two scales

of pay; and those who enlisted after the Military Service Act came into force got their military pay only. But, so far as increases of pay are concerned, the men who went overseas got their statutory increases just the same as those who remained at home. My hon. friend shakes his head, but that is my information, and that is the settled policy of the Government. If a man did not get his statutory increase, the matter should be brought to the attention of the commission and the injustice will be righted.

The case of the man who resigned from the service before going oversesas is different; he stands in the same position as any other man applying to re-enter the service. But this section is designed to put him in a better position than he is in now by giving him a preference on re-entering the service. If such cases as those mentioned by my hon. friend from South Perth (Mr. Steele), are brought to the attention of the commission they will be very carefully investigated and remedied, because the settled policy of the Government is that no man shall be prejudiced in his position in the service by reason of having gone overseas. If my hon. friends who have spoken will bring to the attention of the commission the particular cases they have in view they will be very carefully investigated.

Mr. STEELE: I am aware that the statutory increases of those men were provided for; but they have been prejudiced in having lost their promotion. As I have said, the men who remained at home have been advanced to the vacancies which occurred during the war, and the returned men have had to take subordinate positions, and consequently they are suffering the greatest hardship.

Mr. ROWELL: I think those cases will be taken care of in the application of the reclassification, because under it a man is allocated to the class for which he is fitted by reason of his previous service, and no man is to receive less remuneration than he received under the old classification. But I repeat, if there are particular cases where any injustice has been suffered, the commision will, I am sure, thoroughly investigate them, if they are drawn to their attention, and will endeavour to find a remedy.

Mr. McKENZIE: I think this is a proper amendment and will serve a very good purpose. The only feature I would like to suggest to the minister is that in making up the lists, as there may be many applicants ahead of the returned man, he will be at a decided advantage.

Mr. ROWELL: Under the law as it stands and the regulations of the Civil Service Commission the returned soldier gets the preferred position, being placed at the head of all civilian applicants for the same position, no matter when he made application.

Mr. McKENZIE: That may be a practice of the department, but we know nothing about it and I would prefer to have it embodied in the statute. I would like to make it clear that the returned soldier is not to be secondary to any other man who may have passed the Civil Service examinations while the former was absent at the front.

Mr. FIELDING: The practice referred to deals with all returned soldiers so they shall have priority over civilians. At first that was an advantage to the returned soldier, but as time went on the returned men became so numerous that this priority ceased to be of any great value. This clause seems to deal with men who resigned from the Civil Service with the intention of leaving it; they voluntarily broke their connection; therefore they cannot stand in precisely the same position as the men who, by arrangement, retained their place in the service.

Mr. ROWELL: Those men are not required to pass any examination. They are to be put on these preferred lists. The fact of their previous experience of the work of the department would, I should think, entitle them to such a place on the lists as would practically assure their appointments when vacancies occur.

Mr. SINCLAIR (Guysborough): Does the minister mean that appointment is confined to the department in which the soldier was at the time he resigned? Or will the soldier be at liberty to apply for a position in any other department in the Civil Service?

Mr. ROWELL: He is at liberty to apply for a position in any branch of the service for which he is qualified.

Mr. SINCLAIR (Guysborough): Without examination?

Mr. ROWELL: Without examination.

On section 4—Annual increases unless classification provides otherwise.

Mr. SINCLAIR (Guysborough): This section refers to temporary employees required "outside the city of Ottawa." Well, places like Shanghai, Nagasaki and Timbuctoo are among such "outside" places. The reference here is undoubtedly to temporary employees required in Canada outside the city of Ottawa. It is provided that the rate of payment to temporary employees outside shall not exceed the maximum rate of the class to which such employees belong, but there is no limit in the case of men employed outside the Dominion of Canada, except that the rate shall be the current rate in the locality where the men are employed.

Mr. ROWELL: In the case of men temporarily employed outside of Canada you must pay the prevailing rate in the locality; that is a necessary condition of securing the assistance. In points outside of Ottawa, in other cities in Canada, officers of the various departments have found themselves unable to secure temporary assistance at the minimum rate fixed in these schedules, and in order to secure the temporary employees absolutely necessary to the work of the departments, regard must be had to the prevailing rates of pay in these localities.

Mr. FIELDING: Would it not be well to insert the words "in Canada" after the word "required" in line 12?

Mr. ROWELL: Yes, I think that would meet the point, and I so move.

Amendment agreed to.

Mr. ROWELL: With regard to subsection (6), I confess that it seems rather drastic and a little too cast-iron. There are cases where temporary employees are necessary, where you do not want to increase the permanent staff—in connection with the administration of taxation laws and other work of a temporary character, as that of the Department of Soldiers' Civil Re-establishment, soldiers settlement, and so on. You may have a person temporarily employed who is rendering thoroughly efficient service, and the result of passing this clause in its present form would be to prevent the possibility of any increase of his salary, though if he resigned you would have to pay a much larger sum to get an inexperienced person to take his place. My own impression is that while that provision has been put in to make the law clear—and there is some doubt about it at the present time—it would be only right to modify it so as to make possible an increase in order to retain a useful servant who has served temporarily.

Mr. FIELDING: It contemplates only short employment, does it not?

Mr. ROWELL: It contemplates limited employment, but the employment may be extended, with the approval of the Civil Service Commission. It is a question upon which I should like to have an expression of opinion from hon. members. Personally I think it would be in the public interest to provide that in cases where an employee has served for a certain length of time there may be an increase of salary. The clause as it appears in the Bill is in the form in which the commission submitted it to me, but my own thought is that it would be desirable to put in a proviso something like this: "unless he has been so employed for more than one year." Of course, that would apply only to exceptional cases where the employment is for six months and the commission, for reasons which appear satisfactory to them, decide to extend the employment.

Mr. FIELDING: Is the possibility of extension unlimited?

Mr. ROWELL: They can only extend the employment for six months at a time.

Mr. FIELDING: That means that it is unlimited?

Mr. SINCLAIR (Guysborough): Does this question have any bearing upon the question of bonus?

Mr. ROWELL: It affects only the question of salary.

Mr. SINCLAIR (Guysborough): I have been under the impression that a permanent employee is a man employed under Order in Council or appointed in the ordinary way by the Civil Service Commission. I think my hon. friend will find that in the various departments there are a large number of men who are classed as temporary employees—men who have been in the Government service for years, but are still on the temporary list. I have come across cases where men who had been in the service for many years were complaining that they had never been put on the permanent list. I do not know whether that is the case at present I know that it was the case some time ago.

Mr. ROWELL: The question raised by my hon. friend is undoubtedly an important one. As he says, there are in the

public service a large number of persons who are classified as temporary employees. There have always been provisions in the Act for making temporary appointments, which have been renewed from time to time; and I believe that there are in the public service many hundreds who have been in the service for a very considerable period and are still classed as temporary. Under the reorganization which is now in progress, it is intended to straighten that matter out, and the Civil Service Commission will take up the question of those who have been in the position of temporary employees where the work they are doing is necessary and of a permanent character. I understand that their view is to recommend to the Government that all employees in that position should have their appointments made permanent, so as to get out of what I concede is an undesirable situation, viz: having in the public service a substantial number of persons, who are doing work really of a permanent character and who have been in the service for years, and are classed as temporary employees.

Mr. McKENZIE: Does subclause (6) not leave some discretion to the minister or deputy minister as regards promotion? If it is not intended to give the minister or the deputy, or whoever has to deal with the matter, some discretion, why is the word "deemed" inserted? If it is the intention that no discretion is to be exercised, why does the subclause not read?—

> No temporary employee shall be eligible to receive any increase of compensation under the provisions of this Act.

That is, he has no inherent right to claim promotion. If the deputy minister thinks it is right for him to get promotion, it is open to the deputy minister to grant it.

Mr. ROWELL: That clause was inserted to clear up a doubt which appeared to have existed under the law as it now stands, that temporary employees were eligible for an increase in salary; it was inserted to declare that they should not be so eligible. I quite agree with my hon. friend that it could be framed the other way and would, I think, mean exactly the same thing.

Mr. FIELDING: Temporary clerks whose services have been particularly meritorious should be the first ones put into permanent positions. These men were, in many instances, capable of filling the positions, but they were not prepared to take the examination. Hundreds of them have been in the service for years, and their case deserves a good deal of consideration.

Mr. ROWELL: Another class of case which I had in view in suggesting a possible amendment in this clause was this. Where the class of work a man is doing is of a temporary character, you do not wish to create a permanent position and put him in that position, because we all acknowledge that once a man is put into a position permanently, it is pretty difficult to get him out again.

Mr. JACOBS: He may die.

Mr. ROWELL: Yes, but not always. If the hon. member for Halifax (Mr. A. K. Maclean), who has had more to do with the framing of this legislation than any hon. member, thinks the amendment in the present form meets the case, I am quite willing to leave it just as it is here.

Mr. McKENZIE: The Minister of Railways (Mr. J. D. Reid) tells me that this is a misconstruction altogether; that there should be a period after the word "deemed," and that that word should read "damned" —"no temporary employee shall be damned". That is what the Minister of Railways says, and he is an older minister and member than the President of the Council. That should be a consideration.

Mr. SINCLAIR (Guysborough): It is the Government that ought to be damned for making these numerous appointments of temporary employees. I understand the minister says that it is not desirable to have many of them, and if that be the case, I should like to know who was responsible for the appointment of 22,000-odd employees since the Armistice. Never before was there a period in the history of this country when ministers became so reckless in the matter of appointments. This practice of making so many temporary appointments is bad for the service. Some arrangement should be made whereby if a man is retained in the service for, say a year, he should be given a permanent position or go out of the service.

Mr. A. K. MACLEAN: That would destroy the whole system.

Mr. SINCLAIR (Guysborough): He should either go out of the service or become permanent. This is being used for all kinds of indirect and improper purposes throughout the country. An election comes along, and some man who has influence with the Government may threaten a tem-

porary employee, saying to him: "You are a temporary employee and you had better do what you are told." It is a bad system, and it seems to be increasing year by year instead of lessening. I drew attention to this matter before, but I do not want the minister to overlook the fact that the Government seem, during the last two years, to have gone very far in the way of appointments of temporary employees. If it be bad practice, it ought to be stopped. I do not know whether the minister would entertain my proposal or not, but there should be some period of employment at the end of which a man should be entitled to the rights of an ordinary civil servant, if he is left in the service.

Mr. A. K. MACLEAN: The committee will remember that the Civil Service Act provides a scale of compensation for all employees, and the purpose of this clause is simply to declare that temporary employees shall not participate in the different rates of compensation. Personally, I think that is a sensible provision, particularly at the present time. There are in the public service two classes of temporary employees. In years gone by, as my hon. friend (Mr. Sinclair, Guysborough) stated, persons were appointed to the public service temporarily, and they still remain in the service, but I do not think that there are a large number of that class. On the other hand, during the war a large number of persons were appointed to the public service temporarily, and within the next twelve months, I fancy between ten and fifteen thousand of these temporary employees will be released. These persons are to be found largely in the Department of Soldiers' Civil Re-establishment and in certain branches of the Militia Department. The appointment of such large numbers to these two branches of the public service was unavoidable, but this condition of affairs should come to an end some time soon. I quite agree with my hon. friend that at some time in the future some arrangement should be made where temporary employees appointed many years ago should be made permanent. There are in the public service persons appointed twenty years ago who are technically but temporary employees, and some consideration should be given to such cases. It would be unfortunate to drop this clause at the present time when there are in the public service so many temporary employees, a large number of whom must be retired within a year or shortly afterwards. It would be well, therefore, to continue the clause as it stands.

[Mr. Sinclair (Guysborough).]

Mr. McKENZIE: What is the necessity for this clause at all?

Mr. A. K. MACLEAN: Some doubt has arisen as to whether or not temporary employees are entitled to the same rate of compensation as permanent employees. I did not know myself that there was any doubt about it. I suppose, however, that temporary employees have been claiming the same rates of compensation and the annual increase that permanent employees receive, and that this is merely to remove the doubt.

Mr. McKENZIE: Has the minister any idea of how many temporary employees there would be in any of the large departments—Public Works, for instance?

Mr. ROWELL: I have not the figures here, but I will try and get them and show them to my hon. friend. All the large departments have a large number of temporary employees, some of whom may be employed for years. Of course, the 22,000 employees that my hon. friend refers to covers all seasonal employees, those on the Welland Canal, for instance. Any one who is familiar with public works and the rate at which men go off and new come on would know that if you employ 22,000 men it does not mean that there are 22,000 new positions. On an important public work you may have a turn over two or three times in a season.

Mr. SINCLAIR (Guysborough): My hon. friend does not think that labour on public works is appointed by the Civil Service Commission?

Mr. ROWELL: They have to be certified to by the Civil Service Commission.

Mr. SINCLAIR (Guysborough): Ordinary labourers employed on public works?

Mr. ROWELL: Yes.

Mr. JACOBS: Do they have to pass an examination?

Mr. SINCLAIR (Guysborough): My hon. friend does not mean that a gang of Italians employed for two or three days to dig a trench on some public work have to be certified by the commission?

Mr. ROWELL: Not unless they are required for a longer period than thirty days. Where the period of employment is longer than that, the names must be reported to the Civil Service Commission and the 22,-

000 employees that my hon. friend has referred to includes employees on public works throughout Canada who have been employed for short periods. They are included in the list of temporary employees.

Mr. JACOBS: Why is that?

Mr. ROWELL: Because the law as it stands requires it, and it has also this real function: If the Civil Service law is properly administered by the commission—and I am sure the commission is putting forth its utmost efforts to administer it honestly—this prevents the abuse, to which my hon. friend has referred, of putting on a large number of employees on a public work at election time. It is intended to be a curb on unnecessary employment in the public service in any form whatsoever.

Mr. JACOBS: So the Government at election time would know how many thousand men were employed on different public works throughout the country. In what way would that be a curb on the abuse?

Mr. ROWELL: The commission would have a complete record of these employees.

Mr. SINCLAIR (Guysborough): There was always a complete record on the pay-roll of the departments, so they have no more complete record now than before. I am not sure that I quite understood my hon. friend. Say the Public Works Department are building a bridge, and that there is a stonemason there cutting stone. If he works more than thirty days, has he to have an appointment from the Civil Service Commission?

Mr. ROWELL: No. The appointment has to be reported to the commission by the department, and the man cannot be employed beyond thirty days unless the Civil Service Commission approves. It acts as a check upon employment of unnecessary labour on any government work.

Mr. SINCLAIR (Guysborough): It does apply to such a man as I have mentioned?

Mr. ROWELL: Yes. If an ordinary workman is employed for more than thirty days on a government work carried on by one of the departments, it must be reported to the commission, and the man cannot be continued beyond the thirty days without the commission's approval.

Mr. SINCLAIR (Guysborough): What do the commission do when they receive the report of his employment? Do they examine the man and see if he is capable, and then re-appoint him? Or what do they do?

Mr. ROWELL: I believe the procedure is this: Under ordinary conditions, unless there was some reason that would lead them to make a special inquiry, they would accept the certificate of the engineer in charge of the work that the man was actually required and was competent for the work he had to do.

Mr. McKENZIE: Is there any such provision in the Bill? I do not profess to be familiar with the Civil Service Act, but it would strike me as extraordinary that you could not get a few labourers or any number of labourers on a public building or some other work without having to go through this routine.

Mr. ROWELL: It is simply because they are in the public service. The Act is so broad that it covers all employees in the public service, therefore, as they are in the public service, they have to come under the jurisdiction of the commission in the way I have mentioned.

Mr. McKENZIE: Last year, I think it was, when we were dealing with the War Purchasing Commission, I asked my hon. friend how many employees there were in that branch, and if my memory serves me correctly, he replied that there were about 300 men and women. Is that commission still intact, and are these temporary employees still on the pay-roll of the Government?

Mr. ROWELL: My hon. friend is in error in his recollection. The figure I gave was somewhere between 200 and 300, as being the number employed in all the purchasing branches of all departments of the Government. I am not sure of the exact number employed in the purchasing commission, but I think it is somewhere between 30 and 40. The figure I gave last year related to all the purchasing branches of all departments of the Government.

Mr. McKENZIE: I am sorry to discover my memory is not quite correct, and equally sorry that the minister was not as explicit as he usually is in giving the number last year. Taking it as 40 or 50, are these still temporary employees?

Mr. ROWELL: Yes.

Mr. McKENZIE: When will the minister be able to dispose of them?

Mr. BURNHAM: What does the commission intend to do in the long run with regard to men who heretofore have been entitled to receive the pay prevalent in the

district? Lately, it seems, a great many of the men who have been described as permanent or yearly employees of the Government, have had their pay cut down from what it was last year, and the explanation given by the commission is that on account of reclassification their pay had to be cut down.

Progress reported.

At Six o'clock the House resumed and then took recess.

## After Recess.

The House resumed at Eight o'clock.

### PRIVATE BILLS.

#### SECOND READINGS.

Bill No. 142 (from the Senate), for the relief of Jennie Wright.—Mr. Fripp.

Bill No. 143 (from the Senate), for the relief of Alfred Charles Edwin Westley.—Mr. Fripp.

Bill No. 144 (from the Senate), for the relief of George Orville Scott.—Mr. Fripp.

Bill No. 146 (from the Senate), for the relief of Harry Davis.—Mr. Wallace.

Bill No. 147 (from the Senate), for the relief of Elizabeth Conway Murray.—Mr. Fripp.

Bill No. 149 (from the Senate), for the relief of Frank Fulsom.—Mr. Fraser.

Bill No. 150 (from the Senate), for the relief of James Proudfoot.—Mr. Hocken.

### CIVIL SERVICE ACT AMENDMENT.

House again in committee on Bill No. 53, to amend the Civil Service Act 1918, and the Civil Service Amendment Act 1919.—Hon. Mr. Rowell; Mr. Boivin in the Chair.

Mr. BURNHAM: Would the minister be kind enough to explain why it is that the employees on the Trent canal for example, who are hired by the year—and have been hired year by year for several years—and have been replaced by many returned soldiers, now receive less than they received a year ago? They were notified this year that the pay would go down considerably. They complained to me, and I brought the matter before the Minister of Railways and Canals (Mr. J. D. Reid). The minister said he thought it was a strange thing, he did not understand it; but on considering the matter he came to the conclusion that it was not his business but was the business of the Civil Service Commission. Accordingly I sent a written complaint, together with the letter of the Minister of Railways and Canals, to the commission. The commission said that the reason of the decrease was that they were bound by the re-classification and the re-classification had nothing to do, so far as I can understand from their letter, with the current rate of pay in the district for similar work, but was altogether something settled by those who made that re-classification. That is to say that if a certain class of work in a locality, which the canal staff had hitherto been paid for at the rate of say $60 a month and the bonus, under the classification order was considered worth only $50 the latter amount was given, although the people employed on the general work in the locality were getting $60 or perhaps $80. The result of the reduction in pay is impairing the efficiency of the canal work and producing very great discontent, and I would therefore like to know what the minister, or the commission, propose to do about the matter.

Mr. ROWELL: I am not familiar with the point raised by the hon. member, and therefore cannot answer him specifically. I will, however, look into the matter and obtain the necessary information. My understanding of the law and the practice is that if the men are paid a stated salary—that is if they are not paid the prevailing rate of wages—while under the classification it may be that some are classified at lower salaries than they have hitherto been receiving, the Act provides that no man shall be reduced in his salary—that is that no existing employee shall have his salary reduced—by reason of the change in the classification. So that if any of these men have been in the employ of the Government and have been receiving a higher rate of pay than the new classification provides, the Act itself contains provision that they shall not be reduced in salary by reason of that fact. As to the particular case my hon. friend has in view, I shall be very glad to look into it and give the hon. member the desired information as soon as I obtain it.

Mr. BURNHAM: I may say for the further information of the minister that this is not an isolated case. There are a great many cases of the kind, and if I understand the minister to say that the pay of people who have been for several years in these positions cannot be reduced, nevertheless the effect is to reduce the pay of returned soldiers. When the returned soldier is appointed to fill a new job, or to replace a man who is not re-hired, he is taken on at reduced pay, and it results in great indignation and great hardship. This does not

refer merely to those who are hired by the season, but to those who are hired and paid by the day for some continued time on public work of various kinds, and who are now to be paid at a very considerably less rate than others in the locality. Hitherto it has been the custom of the Government to pay the curent rate of wages and the men in the public employ were perfectly satisfied. But that is not the practice now, and the men are very much dissatisfied; I do not know of anything in fact that is producing equal discontent.

Mr. SINCLAIR (Guysborough): The minister gave the committee the impression before six o'clock that the Civil Service Commission were appointing ordinary labourers. Now I am not able to find any authority in the Civil Service Act for such appointments by the commission. Section 23 of the Civil Service Act, which refers to temporary employment, reads as follows:

> When, from a temporary pressure of work, extra assistance is required in any branch of the Civil Service, the commission may, on the written report of the deputy head that such extra assistance is required, authorize the employment of such number of temporary employees as are required to carry on the work.

Then subsection 2 goes on to say that persons who have successfully passed the competitive examination will have an opportunity of being appointed to this temporary work, and such temporary employment in the Civil Service shall only be authorized for such time, not exceeding six months, as the commission deems necessary, and the authority by which the employment is authorized shall be mentioned in the certificate of qualification isued by the commission. That is all I can find in the Civil Service Act relating to the employment of temporary employees. I think the minister must have been mistaken when he told us that the hod carrier, the stone mason, and the ordinary labourer were appointed by the Civil Service Commission if their services were required for more than thirty days. If that is the practice of the commission, I would like the minister to tell us where they get the authority to make these appointments?

Mr. ROWELL: My hon. friend has not repeated quite accurately what I stated before adjournment in reference to the matter. What I said was that these men were taken on by the Government officers of the district, but that they could not be continued beyond thirty days without the approval of the Civil Service Commission.

Mr. SINCLAIR (Guysborough): There is nothing like that in this section.

Mr. ROWELL: The section to which my hon. friend refers provides:

> When employees are required on short notice for emergency work outside the city of Ottawa, the responsible agent or officer of the department requiring such extra assistance may engage the necessary employees, and the said agent or officer in such case shall forthwith report to the commission through the deputy head of his department the names of the persons so employed. No such employment shall extend beyond thirty days unless approved by the commission.

I understand that under that section the deputy head of the department reports to the commission the temporary employees taken on in connection with public works, such as the Welland canal, and that unless their employment is approved the department is not authorized to continue them beyond the thirty days.

Mr. SINCLAIR (Guysborough): I do not yet understand clearly what duties the commission perform. How would the commission be able to judge of the qualifications of, say, a hod carrier who was working at Victoria, B.C., or at Sydney, N.S., to warrant his being continued in the service? I cannot see any purpose to be served by the commission dealing with a question like that unless they submit the man to some kind of inquiry or examination. Does the minister mean to say that some person on behalf of the Civil Service Commission attends at such distant places to see whether the hod carrier does his work properly and is a suitable person to be continued in the employment of the department? If it is only a formal matter, and the commission deal with it without knowing anything about the person employed, what service can it be to the country? That is the point I would like the minister to make clear. I can understand the advisability of a man engaged in clerical work or in a position of responsibility being appointed by the Civil Service Commission, but for the life of me I cannot understand why a man who is going to do pick and shovel work requires any endorsement by the commission. The payroll for each month shows the number of days the men have been working, the paymaster checks that, and it seems to me that that should be sufficient. If my hon. friend is keeping the Civil Service Commission busy at such work, I think they would be much better employed in the duties they were intended to perform. I would like to suggest to the

Government—the Prime Minister is now here—that some member of the Government should be assigned to have supervision over the Civil Service. A year or two ago a certain member of the Government discharged the duty of looking after the service, and I have no doubt he performed it very well during the short time he was attending to it. From what I can learn there is now no member of the Government whose duty it is to deal with questions that are constantly arising in the service. Hon. members who are listening to me I suppose have had the same experience that I have had: Complaints made by civil servants that they are unjustly treated. I was told a few days ago by a civil servant in whom I have the utmost confidence,—a man who is perfectly satisfied with his own position and salary—that when a case of injustice arises in regard to classification and other matters coming under the Civil Service Commission there is really no one in the Government who takes enough interest in the service to deal with it. I do not want to give the man's name, but I am afraid there is a certain amount of truth in his statement.

Mr. A. K. MACLEAN: He should go to the commission.

Mr. SINCLAIR: (Guysborough): Some minister should be assigned the duty of dealing with questions arising in the Civil Service, and in cases of grievance he should be the man to go to and should be responsible for their adjustment. I would like that suggestion to be seriously considered by the Government.

Mr. ROWELL: I would point out to my hon. friend that any employee of the public service who has any grievance, imaginary or real, in connection with the classification or its application has the Civil Service Commission to go to. More than that, the commission, with the approval of the Government constituted what is known as a Board of Hearing. That board consists of two representatives named by the Civil Service itself, two appointed by the deputy ministers, viz.:—the Assistant Deputy Minister of Public Works and the Assistant Auditor General, and is presided over by one of the Civil Service Commissioners. Any complaints in reference to the classification are dealt with by that board. Any other complaints are dealt with by the commission. So I do not think any civil servant has any just ground to complain that there is no person to whom he can present his grievance. In addition, they all have their superior officers in each department, and in case they feel themselves unjustly dealt with they can appeal to those superior officers to have their cases investigated.



Mr. BURNHAM: Might I say that the minister's statement of the case leaves everything to be desired? Ninety-nine per cent of the employees have no more knowledge of how to go about making a complaint than they have of flying. They very properly have the idea that they should make their complaint first to their foreman, who in turn passes on the complaint to the chief engineer, but naturally the chief engineer does not want to get himself in wrong at headquarters and he passes on the complaint in a very perfunctory manner. The consequence is that as the much despised member of Parliament has no status in the matter, the employee in any particular constituency has no recourse to his friend the member. On the contrary, the employee is invited to climb to the top fifteen steps at a time, which he cannot do, and won't do, and does not understand how to do. Much as I respect the minister, I must point out another thing, that he has been able to deal with this particular thing only after being prompted by the man in front of him. I have nothing against the Civil Service Commission, I suppose they are working to the best of their ability, but this system which expects the poor humble employee along a canal or any other public work to sit down and formulate a complaint, and to know the devious ways of getting it to the various Boards of Hearing over the heads of his superiors, foremen, or superintendents or whatever they may be—this system, I say, expects too much, for that poor man never does what is expected of him, and the consequence is that until the discontent and murmuring becomes fierce there is nothing heard about it.

Mr. CHAPLIN: The minister referred a moment ago to the Welland Canal. I would like to know from him who makes these appointments of lock-keepers, and so on. Surely the Civil Service Commission cannot make these appointments; somebody other than the member of Parliament for the constituency must be responsible for them?

Mr. ROWELL: In the case of lock-keepers and men occupying positions of that kind, the procedure is to advertise locally for applications for the position. These

applications go to the Civil Service Commission and the engineer in charge of the work is asked by the commission to make a recommendation in connection with the matter. Upon getting the applications, coupled with such information or recommendation as the local engineer in charge may submit, the Civil Service Commission makes the appointment.

Mr. CHAPLIN: I must say that I never saw one of those advertisements. I would be glad indeed to know where they could be found. It looks to me as if the so-called patronage has been handed over to some one in the country other than the member for the county. I am not opposed to the Civil Service Commission in any way, but I certainly do not believe that it is good policy to hand over to some one else in the county the matter of these appointments.

Mr. SINCLAIR (Guysborough): Does the minister say that appointments made to positions in the Department of Railways and Canals are under the control of the Civil Service Commission?

Mr. J. D. REID: All appointments to positions in the Railway Department, not including, of course, the Canadian National Railways, are made by the Civil Service Commission. If we want a common labourer or lock-master or a man to fill any position of that kind on one of the canals, the Chief Engineer of the Department of Railways writes to the secretary of the commission and tells him that he wants such a man. What procedure the Civil Service Commission adopts in filling those positions I do not know, but I do know that from the minister down, not one employee of the Railway Department has anything further to do with the matter or knows who the appointee will be until the commission advises that such and such a man is to fill the position.

Mr. SINCLAIR (Guysborough): I am not familiar with the matter of the canals, but I understood that appointments to positions on the Government railways were made by the Minister of Railways—

Mr. J. D. REID: Oh, no.

Mr. SINCLAIR: (Guysborough):—or one of his officers; that such appointments were made by the Civil Service Commission. Never am I mistaken about that?

Mr. ROWELL: It has always been made clear that the Canadian National railways did not come under the Civil Service Commission. All appointments in that connection are made by the Board of Management.

Mr. J. D. REID: My hon. friend (Mr. J. H. Sinclair) has said, as I understood him, that all appointments on the Government railways were made by the minister. I can hardly understand the hon. member making such a statement, because he knows that the Canadian National railways are operated by a board appointed—

Mr. SINCLAIR (Guysborough): I did not mean to say that the minister was undertaking the work of the board.

Mr. J. D. REID: Appointments to positions on the Canadian National railways are made by the Board of Management. The department has not interfered with such appointments; they do not feel that they have any power to interfere.

Mr. J. H. SINCLAIR: I am not suggesting that anybody is interfering at all; that is not what I am speaking of. Let me make the matter clear: I am pointing out that men employed on the Government railways are not appointed by the Civil Service Commission. I think that is well known to everybody. Now I am informed that another class of men employed are not under the Civil Service Commission,—and I would like to get the information from the minister—that is, the Department of Soldiers' Civil Re-establishment.

Mr. ROWELL: My hon. friend is correct in that. By the Act of last session and on the report of the committee which considered the question of civil re-establishment, it was provided that the department might make appointments direct, subject to submitting to the commission a report of the appointments. That was done for the fairly obvious reason, I should think, that the administration of that department would be somewhat akin to that of the Department of Militia. There was the matter of hospitals and the care of the men being treated. There were the schools for vocational training and the other branches of service included in the work of this department. Immediate action was necessary to care for the men upon demobilization. The appointments were not of a permanent character, the department being a temporary one, and accordingly the House by express enactment made provision for the department making the necessary appointments and reporting these appointments to the commission.

Mr. SINCLAIR (Guysborough): Are any other departments besides Soldiers' Civil Re-establishment and the Canadian National railways outside the jurisdiction of the commission?

Mr. ROWELL: My hon. friend is aware that when the income tax was put into operation the employees in connection therewith were appointed under the authority of the minister of the department. In the Estimates for income tax each year there is a provision for the appointment of officials without requiring examination or selection by the Civil Service Commission.

Mr. McKENZIE: I would like to remind the Minister of Railways that he seems to exercise considerable jurisdiction over the employees of the Government railways.

The CHAIRMAN: We are discussing a Bill to amend the Civil Service Act. The minister has already informed the committee that appointments to positions on the Canadian National railways are not made by the Civil Service Commission. I fear that if we do not leave the railway we shall soon be very far from the matter now under consideration by the committee.

Mr. McKENZIE: Perhaps the committee will permit me to ask the minister one question in reply to what he said.

The CHAIRMAN: The hon. member may proceed, but only with the unanimous consent of the committee.

Mr. McKENZIE: Last year when we were discussing the Grand Trunk Railway Bill some one suggested that the officers of the road might naturally be favourable to switching traffic to Portland. The minister immediately rose and said he would like to see the officer who would undertake to do any such thing while he was Minister of Railways; that if he found any such man in his employ he would make short work of him. Was it under the Civil Service Act that the minister expected to exercise that jurisdiction?

Mr. J. D. REID: Well, that was a long time ago. Before answering that question I would have to refresh my memory as to what I said.

Mr. CAHILL: Are the employees of the Marine and Fisheries Department all under the Civil Service Commission?

Mr. ROWELL: Marine and Fisheries Department, yes.

[Mr. Rowell.]

Mr. CAHILL: The sailors and all others employed by that department?

Mr. ROWELL: All except those in the merchant marine, which is operated in connection with the Canadian National railways.

Mr. MACKENZIE KING: That branch would employ the larger number, would it not?

Mr. ROWELL: Of course, a very large nnmber of sailors would be employed in the merchant marine, but the whole transportation system is carried on under or in association with the Board of Management operating the railways.

Mr. MACKENZIE KING: Could the minister give us any idea as to the number of employees under the control of the Board of Management of the railways and the Merchant Marine as compared with the number of employees of the department who are appointed by the Civil Service Commission?

Mr. ROWELL: I have no idea how many are employed on the railways.

Mr. MACKENZIE KING: They are very much the larger number, are they not?

Mr. CAHILL: Are any other departments than these four outside the control of the Civil Service Commission?

Mr. ROWELL: What does my hon. friend mean by the "four"?

Mr. CAHILL: Merchant marine, Railways and Canals, Soldiers' Civil Re-establishment and Income Tax.

Mr. ROWELL: My hon. friend is not correct when he mentions the Department of Railways and Canals. All appointments in that department come under the Civil Service Commission. Appointments to the national system of railways and the national merchant marine do not; they are made by the board of management. Appointments to the Income Tax branch and the Department of Soldiers' Civil Re-establishment do not come under the Civil Service Commission, and the Soldier Settlement Board is in the same position in this respect as the Department of Soldiers' Civil Re-establishment.

Mr. CAHILL: What is the medium of advertising for men who are required in different places now that the Official Record has gone out of business?

Mr. ROWELL: The usual form of advertising is first that an advertisement appears officially in the Canada Gazette. Then communications are sent to all the Great War Veteran Associations, because under our law the war veterans are to have the preference. Posters are put up in post offices, public schools and other public places in the district. In cases of local employment, such as I have mentioned, a poster that will reach the public is put up in local public institutions. I am informed that that is the procedure.

Mr. ARTHURS: Who puts up these posters?

Mr. CHAPLIN: It seems to me that advertising for such help as lock tenders is a very roundabout way of doing business. We have in Ottawa a commission who are appointing men whom they have never seen, never expect to see, have never examined and know nothing about. These men may be five hundred miles away from Ottawa, and they are recommended to the commission by somebody in the district. I certainly object to that way of doing things. It was not so contemplated, as I understand it, in the original discussions we had in regard to the matter in the House, and I want to put myself on record as being opposed to that way of doing business.

Mr. BURNHAM: I would suggest that a new examination be held, and that is, into the common decency and morality of the common ordinary man or member. It is quite evident from all the attacks made upon this system that all the wrongdoing is traced down, or supposed to be traced down, to the fact that every hon. member on this side is to every hon. member on that side of the House a wrongdoer and that every hon. member on that side of the House is to every hon. member on this side of the House under suspicion. The sooner we cut a great deal of this out the better, because at bottom it is only commonplace, vulgar partisanship. Let us trust each other, man as man, and have faith in ourselves, and we shall get work done. No work on earth will stand the test when a suspicion such as that exists.

Mr. McKENZIE: I wish to say a word or two in support of what the hon. member for Antigonish and Guysborough (Mr. Sinclair) and the hon. member for Peterborough West (Mr. Burnham) have said in reference to civil servants. They brought forward the argument very well that a civil servant who has any grievance has really no person to whom he can go with his complaint. We were told by the President of the Council (Mr. Rowell) that the deputy minister and the Civil Service Commission are at the disposal of the civil servant. Those are just the two parties against whom he would be likely to have a complaint. He might have a complaint that the deputy minister was not giving him a fair show, and in such a case what would be the good of going to the deputy minister? He would be turned down. He might have a complaint that the Civil Service Commission was not treating him rightly, and in such a case, what would be the good of going to it? What he really wants is to be able to lay his complaint before an independent person over whom the deputy minister or the Civil Service Commission has no influence at all. The only person who would be in that position is a minister of the Crown who would be supposed to act absolutely independently between the civil servant and the higher authority. Some minister should have general supervision over the Civil Service, so that they could come to him with their complaints. Then the minister would call the deputy minister, not necessarily of his own department, but of any department, and the chairman of the Civil Service Commission, and let this civil servant who had the complaint tell his story, with the deputy minister and the chairman of the commission present to see whether the complaint of the civil servant was well founded or not. The minister, after hearing the facts, would be in a position to deal with the case on its merits, and the civil servant would then be satisfied either that his grievance would be rectified or that he had no case. But under present circumstances he will always have a suspicion, if his complaint is against the deputy minister, that the deputy minister is not treating him rightly, or if his complaint is against the Civil Service Commission that the commission is not treating him rightly. It is surely desirable for the Government and for everybody else that that large body of civil servants should feel that they are being treated fairly and squarely and that if they have a grievance there is an absolutely independent court to which they can go. For that reason I support the contention of my hon. friends that there should be some minister—perhaps the Prime Minister has too much to do—to whom an appeal may be made in cases of this kind.

Sir ROBERT BORDEN: A good many years ago I was informed that a certain Prime Minister was told by one of his ministers that he made a rule in his depart-

ment that no civil servant holding a status lower than that of first-class clerk should have a right to speak to him with regard to his affairs or the business of the department. The then Prime Minister replied, "I know that perfectly well, because they all come to speak to me about matters that should have been submitted to you." I can inform my hon. friend that the grievance which he is expressing on behalf of civil servants is entirely a fanciful one. I have had some experience, for nearly nine years, of this matter, and I can assure him that civil servants at Ottawa and throughout the country have not the slightest difficulty in making their grievances known to the Government. During the past nine years, on numerous occasions, I have received civil servants who desired to express to me their view that in some respect or another they were not receiving the consideration that was their due. As a matter of fact, at the present time, they have more facilities than they ever had before in that regard. During the past three years we have had a minister who, so far as the duties of his department would permit, has devoted special attention to the claims of civil servants. Some time ago we established a board to which the President of the Council (Mr. Rowell) alluded, and I really think there is no serious difficulty in the way of a civil servant who desires to make representations to the Government. Such representations eventually find their way, not only to the minister of the department, but to the Prime Minister, and finally they come before the Government as a whole.

Mr. GAUVREAU: I want to say just a few words as to the way in which men working for the Public Works Department are chosen. Take the case of a wharf to be repaired in my riding, as happened last year. If the men are chosen by the resident engineer and by the chief carpenter, those officers, of course, are responsible for their choice. These are the men who will work if they are required for a period of less than thirty days. Of course, they should not be chosen in the first place if they are not able to do the work required of them. If they are required for a longer period than thirty days the chief engineer forwards the names picked out by the chief carpent 1 and sends them to the Civil Service Commission at Ottawa, and those are the men chosen for the longer periods. This matter is so simple that I cannot see why there is any opposition.

[Sir Robert Borden.]

Section agreed to.

On section 5—classification deemed to have come into force on, and salaries payable from April 1, 1919.

Mr. ROWELL: I beg to move to insert as subsection 2 this clause, an amendment which I shall now read, and the present subsection 2 will then become subsection 3. The reading of the clause will explain the reason for its insertion:

> Persons filling positions the compensation of which is or has been fixed at prevailing rates under the classification or any amendment thereof, and persons who have been retired from or have left the public service, shall not participate in any benefit resulting from the provisions of this section, making the classification retroactive to the 1st day of April, 1919.

Hon. members will see that if persons have left the public service since the first day of April, 1919, there is no reason why the country should pay additional compensation, and where persons are receiving the prevailing rates of pay there would seem to be no reason why any special benefit should accrue to them from making the classification retroactive.

Mr. MACKENZIE KING: Why has this change been made in the Act, making its provisions retroactive for one year?

Mr. ROWELL: We are making it retroactive because when this whole matter was under consideration in the early part of the year 1919 and various delegations of the Civil Service waited upon the Government, particularly representatives of the different branches of the postal service, the Government at that time believed that the classification would be sufficiently advanced to be brought into operation in the year 1919, and these representatives of the different postal organizations were assured that it would go into effect for the year 1919. It so happened that the classification was not sufficiently advanced to make it operative during the year 1919, and when the legislation was passed last autumn it was provided that it should come into force on the first day of April, 1920, because at that time it was believed that the classification would not be completed so that it could be applied before that date. The Act of last session was passed in that form. When the Act was before the House the question of making it retroactive was raised, and my hon. friend (Mr. A. K. Maclean), who was in charge of the Bill, said he would give the matter consideration and see whether in view of what had taken

place it would be right to make it retroactive. The Government would consider the matter in the meantime, he said, and if they reached the conclusion that it would be right to make the legislation retroactive an amendment would be introduced this session to make it so. The Government, after considering the whole situation, and having regard to the representations that were made in the early part of the year 1919 to these representatives of the Civil Service, reached the conclusion that it was only fair and right that the classification should be made retroactive. Undoubtedly, these civil servants relied upon the Government's statement at that time, and believed that the Act would come into force as from the first day of April, 1919.

Mr. MACKENZIE KING: What was the ground upon which the Government thought it fair and right to make the Act retroactive?

Mr. ROWELL: On this ground. The Civil Service Commission in recommending to the Government a certain bonus recommended it on the basis of this classification going into effect, and not on the basis of the old classification. My hon. friend will see this set forth in the introduction to the classification submitted to Parliament. Therefore, in order to carry out the understanding with the Civil Service, the Government decided to recommend that the classification should be made retroactive.

Mr. MACKENZIE KING: In the Estimates that have been brought down, there is mention of the fact that they do not contain the necessary details because of the re-classification of the service not being ready. Can my hon. friend tell us if the re-classification has been completed, and if so, when Parliament will be favoured with a copy?

Mr. ROWELL: The re-classification is completed subject to certain appeals that have been made from it and which have not yet been disposed of by the Board of Hearing. Under the Civil Service Act the Civil Service Commission has power to vary the existing classification subject to the approval of the Governor in Council. Appeals can be made by any class of the Civil Service against their classification. These are heard by the Board of Hearing. From the Board of Hearing a recommendation goes to the Civil Service for approval and if approved it must come to the Governor in Council for approval before it becomes effective. If it involves any increased payment of money, it cannot go into effect until Parliament votes the money. Now, a large number of appeals have been heard and determined, but there are still some appeals pending. Subject to the determination of these appeals, the reclassification is complete. There is, of course, not only the reclassification itself, but the application of the classification to the service, that is, fitting each individual official in the service into his appropriate class. My hon. friend will see that that is an enormous undertaking where you have nearly 50,000 civil servants to be dealt with and each put into his appropriate class. I am glad to be able to advise my hon. friend that the application of the classification to the service is very nearly completed also. It is completed in the Departments of Agriculture, Archives, Auditor General, Civil Service Commission, Commission of Conservation, External Affairs, Finance, Indian Affairs, Insurance, Interior, International Joint Commission, Library of Parliament, Mines, Naval Service, Board of Pension Commissioners, Public Works, Railways and Canals, Royal Canadian Mounted Police, Secretary of State, Governor General's Secretary, Honorary Advisory Council, Marine, Post Office, Privy Council, and Trade and Commerce. It would have been completed also in Customs and Inland Revenue but for the illness of the deputy. It is almost complete in Immigration and Colonization. So my hon. friend will see that the application of the classification is rapidly approaching completion.

Mr. MACKENZIE KING: We desire to have the classification when we come to consider the Estimates of these departments, and I would ask my hon. friend if it might not be possible for the Government to print what they have and bring it down so that we may have an opportunity to study the matter before we discuss the Estimates.

Mr. ROWELL: I shall be glad to consider the suggestion of the hon. gentleman, and I think that it may be possible to do what he proposes.

Mr. MACKENZIE KING: Can my hon. friend tell us what expense the classification has involved?

Mr. ROWELL: There was the work of classification and its application to the service, and there was also the re-organization of the Printing Bureau, which was a distinct piece of work. Altogether, I think the expenditure amounted to approxi-

mately $140,000; that is, including the whole thing. I have not the figures by me, but I think that what I have given is near the mark.

Mr. MACKENZIE KING: The minister is under the impression that it amounts to $140,000?

Mr. ROWELL: Yes, covering both the re-classification and the re-organization of the Printing Bureau. That is my present impression.

Mr. MACKENZIE King: I think there were a number of experts retained by the Government in connection with the re-classification. Can the minister tell us what was paid to these men?

Mr. ROWELL: I have just given the figure. The full information has been given to Parliament already in answer to questions by some hon. members.

Mr. MACKENZIE KING: A question was asked as to the personnel of this organization and where the experts came from, but I am not sure that the question I have just asked has been answered, and I should like to obtain the information.

Mr. ROWELL: That question was answered too. It was answered this session and at the previous session. The firm who were employed were Arthur Young & Company, whose headquarters are at Chicago.

Mr. MACKENZIE KING: The firm sent their men here. Who were the persons that came to Ottawa?

Mr. ROWELL: Mr. Myers was the man in general charge here throughout the period of re-organization, and Mr. Griffenhagen was the superior officer who came here and assisted from time to time in connection with the work. Under Mr. Myers there were, of course, the necessary associates to assist in carrying on the work.

Mr. MACKENZIE KING: Does the minister know what Mr. Myers' first name is?

Mr. ROWELL: No; I cannot recall it at the moment.

9 p.m. The CHAIRMAN: Shall the clause carry?

Mr. MACKENZIE KING: Not yet, Mr. Chairman.

The CHAIRMAN: The unanimous consent of the committee must be obtained if we are to enter upon a discussion which would be strictly relevant upon the Estimates but which is certainly irrelevant to the clause under consideration. The question as to who prepared the classification and what was paid for the work has undoubtedly no bearing on the clause now before the committee. The purpose of the clause is to make the salaries of civil servants retroactive.

Mr. MACKENZIE KING: I shall not press the question now, but I may intimate to the minister that we shall expect the information which is now sought when we come to consider the Estimates.

Mr. ROWELL: I shall be glad to give that information then. Had I expected that the question would be raised now I would have been prepared to answer it in detail.

Mr. SINCLAIR (Guysborough): I do not like the construction of subsection (3) which says that any moneys required to be paid for the purpose of carrying out the provisions "of the next preceding subsection" shall be payable out of any moneys appropriated by Parliament for the purpose. I do not think this subsection is necessary because we already have a section in the original Act providing for the payment of these employees. Section 24 says that temporary employees shall only be paid out of the moneys specially provided by Parliament for the purpose. That gives Parliament considerably more control than it would have under this subsection, and it is quite sufficient to cover all cases. I quite understand that the minister is providing for a certain class of people appointed within certain dates, and I am raising no question so far as that is concerned; but in regard to temporary employees in general, I think that section 24 of the Act is sufficient. We should not substitute for it a section which means pretty nearly the same thing but which is indefinite and does not give Parliament the same control as section 24.

Mr. ROWELL: My hon. friend refers to section 24. He will see that the section with which we are now dealing covers more than temporary employees; it deals with all employees in the public service, and the effect of the section is to make the classification apply from the year 1919 so as to give all employees in the public service the benefit of any increases in salary which the classification provides. The commission, after considering the matter, deemed it desirable to include a clause such as this. By reason of the amendment this subsection will have to be amended to read "Under the provisions of this section", instead of "under the provisions of the next preceding

subsection". In regard to the objection raised by my hon. friend, I see no harm in this clause. We have to come down with an Estimate and the money necessary to pay the additional amounts which will be called for will be paid out of any sum which Parliament may vote for the purpose.

Mr. MACKENZIE KING: That is retaining the control of Parliament over public funds.

Mr. ROWELL: Absolutely. In the Civil Service Act of 1908 a section was inserted which authorized the payment out of the Consolidated Revenue Fund of any increased amounts that might be payable by reason of the application of the classification. It was suggested we might insert a similar clause in the Bill but after consideration we decided to bring down an Estimate to cover any increased amounts even although we might not be able to tell the House just the exact amount required. But we decided, after consideration, to bring down an Estimate to cover any increased amounts even though we might not be able to tell the House the exact sum; we decided that we would ask Parliament for a lump sum to cover whatever these increases might be. This preserves the absolute control of Parliament over the money required.

Mr. CAHILL: Could the minister give us any idea as to the number of people that are affected by this change in the classification?

Mr. ROWELL: All the civil servants are affected by the change in classification, but that does not mean that all civil servants will get an increase in pay. I cannot say how many will get increased pay, because personally I have not gone over the application of the classification to the service. There are 48,000 civil servants, permanent and temporary, in all the departments of the service, inside and outside, exclusive of seasonal employees, the workers on docks, public works, etc,, the men who are paid the current rate of wages, and—

Mr. EULER: Does this Bill provide for the case of the postal employees who asked for consideration?

Mr. ROWELL: It does.

Mr. SINCLAIR (Guysborough): Will the minister, when he has leisure, give an exact statement to the House as to the number of employees in each of the departments. I understood him to question the criticism I made the other day, when I spoke on the Budget, in reference to the number of employees that have been appointed by the Government, or the Civil Service Commission, since the Armistice was signed. I asked some quesions on the subject some weeks ago and received an answer from the Secretary of State. It was not my statement, it was the statement the Government gave to me through the Secretary of State, that since the Armistice the Civil Service Commission have appointed 4,176 permanent employees and 22,954 temporary employees, making in all 27,130. The Secretary of State (Mr. Burrell) was present when I made the statement and offered no objection. I explained, when I read those figures, that the answer also contained the statement that certain of those employees were appointed for a short time. I followed the matter up by putting another question asking how many temporary employees were still on the pay-roll. I received an answer to that question only to-day, and according to that answer there are still 6,064 on the pay-roll. I am reading these figures in order that I may not be misunderstood in any way, because I want to be perfectly fair and do not wish to quote any figures that I do not believe to be correct. The minister, who is a very truthful man himself, hinted the other day that I was not adhering to the exact facts in regard to the matters that I referred to in my speech on the Budget, but I gave the information that had been supplied to me by the Government as plainly and honestly as I could; I was not going outside the figures that had been given me by the Government. Now I want to give the revised figures to show just what the Government say in their latest statement as to what the number is. The number is stated in the return furnished to me as 6,064, and the document goes on to say:

> In the above list the Department of Soldiers' Civil Re-establishment is not included, as that department is no longer under the Civil Service Commission. The number of appointments to this department in the original figures of 22,954 was 2,747, leaving 20,207 of which 6,064 are still on the pay-roll of the Government as temporary employees.

This is signed by Mr. William Foran, Secretary of the Civil Service Board, but the return is very incomplete. Now if you add together the 1,257 appointed by the Soldiers' Settlement Board, the 275 on the staff of the Pensions Commissioners and the 4,176 permanent appointments you get 12,004 as the number appointed since

the Armistice. This is a very large number, yet it does not include the whole number that have been appointed, because we have been informed that it does not include the employees of the Government railways, the Government Merchant Marine, and the Taxation Branch of the Finance Department. So it appears by the revised statement of the Government that something in the neighbourhood of twelve thousand employees, temporary and permanent, have been appointed by the Civil Service Board to the various public departments since the Armistice. The minister now says that there are 48,000 employees altogether in the service of the Government. Consequently the employees have been increased since the date of the Armistice by 25 per cent. I would like to bring this matter to the attention of the minister, that if it is true that about 12,000 new civil servants have been appointed since the Armistice, it means an enormous addition to the Civil Service. As I said before if you credit them with $1,000 apiece each year, you increase the expenditure of this country by $12,000,000 a year; and if you allot them $2,000 apiece, which is nearer the mark, you increase that expenditure by $24,000,000 a year. I submit that that is a very large increase indeed, and that my hon. friend will have to do little more explaining before he will satisfy the people of Canada that it was necessary to make such an enormous increase in the staff of civil servants since the date of the Armistice.

Mr. ROWELL: I do not want to review the Budget debate; strictly speaking my hon. friend's remarks are out of order, but I did not want to interrupt him. The hon. member has referred to the answer which he received in the House when the question was asked as to the number of appointments that had been made. When the answer was given, the Secretary of State added that among those who were appointed temporarily, "many thousands were for short periods of less than thirty days." Notwithstanding that information given to my hon. friend he stated that he estimated at least 25,000 were continued in the public service and he figured the average salary would be $2,000 per individual per year, making an increase of $50,000,000 in the annual charge for the Civil Service. Now I gave the facts to the House the other night and showed that the hon. member's estimate was without any foundation in fact. It is quite true a large number have been employed since the Armistice but where the appointment is for a week or a month or two or three months, and bearing in mind the constant change in employees on public works, the wonder is that the number has not been larger. The departments are constantly demobilizing, are constantly letting men go and reducing the staffs. The personnel on Public Works is constantly changing. The question is not how many men have been employed, but what has been the actual increase in the Civil Service during the period. I gave the House the other night the number employed at the present time. I showed the difference between the two periods and I explained how many had been added and how many had been discharged. My hon. friend's statement was entirely incorrect and wholly beside the mark as can be ascertained by a review of the figures I gave in my address on the Budget.

Mr. SINCLAIR (Guysborough): I have taken the statement from the figures which I received to-day from the Government. If I had received those figures before I made my speech on the Budget I would have used them. At the time I first asked the question I got a very prompt answer—within three or four days—of the number of permanent and temporary civil servants that had been appointed since the Armistice. But when I followed the matter up with a second question—because as my hon. friend said the information was somewhat indefinite owing to the fact that certain men had only been employed for a short time—and inquired how many of these twenty thousand odd temporary employees were still on the Government's pay-roll, I got no answer to the question. The matter went on from day to day, and finally the question was put down as an order for return. I only obtained that return this morning. So I think my hon. friend will admit I am treating him and the Government very fairly, and I am putting the return on record to show what the Government say now in regard to the number of appointments they have made. It is not cleared up. We know how many appointments they have made, and I still hold to the opinion I expressed before, that with an over-crowded Civil Service at the date of the Armistice these 12,000 new appointments cannot be justified.

Mr. CAHILL: Do I understand the minister will have to bring down Supplementary Estimates covering this item?

Mr. ROWELL: Yes.

Mr. CAHILL: How soon does he expect to submit those Supplementary Estimates to the House? It is now within ten days or two weeks before the end of the session.

Mr. ROWELL: It will be within a week or ten days before the end of the session at any event.

Mr. McKENZIE: I have had complaints from civil servants outside of the city of Ottawa, janitors of post offices and other public buildings, that they have not received any bonus for April and May of this year. Is there any explanation for this delay? Will those janitors benefit by the classification?

Mr. ROWELL: I cannot say at present whether they will get more or not, as I have not the classification before me. With reference to the bonus, as my hon. friend is aware, the bonus vote passed this House only last month, and the cheque going out for June will carry the bonus to which those men are entitled.

Amendment agreed to.

Mr. ROWELL: I move to further amend clause 5 by striking out in line 48 on page 2 of the Bill the words "the next preceding subsection," and substituting therefor the words "this section."

Amendment agreed to.

Section as amended agreed to.

On the title:

Mr. MACKENZIE KING: Before the title carries I would like to draw attention to the fact that this Bill is in the same category as the long list I mentioned the other day of legislation to amend legislation passed in the previous session, which legislation in turn was to amend legislation of the session still preceding. This is "An Act to amend the Civil Service Act, 1918, and the Civil Service Amendment Act, 1919." I am pointing this out in the hope that next session the Government will not bring in another amendment to this Act. Most of the time of this session has been taken up in amending legislation hastily prepared.

Mr. ROWELL: My hon. friend has said on former occasions that there are some men of Conservative or Tory characteristics on this side of the House, but I am afraid he is the greatest Tory of all. He is apparently one of those who think we ought not to move forward at all and that if legislation is once passed it must be like the laws of the Medes and Persians, unchangeable. As we move ahead we must have amendments to meet changed conditions.

Mr. MACKENZIE KING: I am not objecting to change, but I do object to making this Parliament a sort of repair shop for defective legislation.

Title agreed to.

Bill as amended reported.

On motion of Hon. Mr. Rowell for the third reading:

Mr. MACKENZIE KING: I think the third reading had better stand.

Mr. ROWELL: We have promised that the Bill should be expedited as much as possible so that the service might receive the additional amounts payable to them under this legislation, but of course if my hon. friend has any objection I cannot ask for the third reading.

Mr. MACKENZIE KING: I have no objection to the third reading at the next sitting of the House, but at present the attendance is not very large, and it seems to me it would be better now not to proceed further.

Motion stands.

## SUPPLY.

House again in Committee of Supply. Mr. Boivin in the Chair.

**Public Works—Chargeable to Income—Public buildings Nova Scotia, $42,000.**

Mr. FIELDING: I understand that there are no new buildings in this appropriation; it is all repairs and improvements?

Mr. J. D. REID: Yes. Every appropriation for new buildings in the Estimates last year was struck out, and, so far as I know, what is before us now is simply for repairs or for completing work already started, such as in the case of the drill hall at Amherst. The building has been completed and this vote is for the sidewalks and grading around the building.

Mr. FIELDING: If it is the settled policy of the Government that they will not this year grant appropriations for any new buildings, I shall not bring forward some claims which I would otherwise make in that connection.

Mr. J. D. REID: That was the policy when these Estimates were made up, and so far as I know there has been no change.

Mr. MACKENZIE KING: The minister says that this vote is to pay for gradings

and sidewalks. Twenty-five thousand dollars seems to be a good deal to pay out for gradings and sidewalks in connection with one building.

Mr. J. D. REID: This amount is required to cover the cost of waterproofing the basement walls, asphalt floors in the main hall, sidewalks and gradings, $21,500; superintendence, $3,500; total $25,000.

Mr. MACKENZIE KING: When was this drill hall started?

Mr. J. D. REID: The building was completed in 1914. This work that we are now providing for has been held up during the war.

Mr. MACKENZIE KING: Is it customary to put concrete pavings in drill halls?

Mr. J. D. REID: It is the custom to put in asphalt floors, yes.

Mr. McKENZIE: Was this building sufficiently advanced to be used during the war?

Mr. J. D. REID: Yes, the Militia had it in use.

Mr. COPP: To what use is it being put now?

Mr. J. D. REID: It is under the charge of the Militia Department. In the re-organization of the Militia I suppose they will use it for militia purposes.

Mr. MACKENZIE KING: This building, the minister says, was used for militia purposes during the war. To spend $25,000 now to put it into shape seems to be a poor sort of economy.

Mr. J. D. REID: The building was not completed owing to the large war expenditures, but it cannot be left in its present state; it will have to be completed.

Mr. COPP: A great many demands for public buildings throughout Canada have to be refused because of the lack of money. Now, here is a drill hall that was finished in 1914. If during the war, when troops weere quartered there, this building could get along without the grading and paving and sidewalks that are now proposed to be put in, it seems to me that this appropriation might well be devoted to the erection of public buildings in some other places where they are really needed. My hon. friend says that this building is being used for militia purposes. No soldiers are quartered there; there is no general militia work going on; there are no training camps in the vicinity. There seems to be no use for the building. Why spend



$25,000 at this time to put down sidewalks and pavings around this drill hall? I think the minister should give the committee a little more information before this item passes.

Mr. J. D. REID: The Militia Department have asked that this building be completed. There is water in the cellar and if something is not done the building may be injured or destroyed. Besides, it is the custom to complete the sidewalks and grading around all public buildings. We are only completing work that must be done in connection with this building if it is to be used at all.

Mr. COPP: Does my hon. friend want us to understand that there is water in the cellar because there is no sidewalk around the building? Does he want us to understand that during the past six years there has been water in the cellar and no proper drainage was put in when the building was constructed? The town of Amherst adjoins my own town, and from the information I have it does seem to me that if for six years we could get along without a sidewalk and without cement paving around this magnificent building we might get along for a year or two longer and use this money in places where its application is badly needed.

Sydney Quarantine Station—repairs and improvements, $5,000.

Mr. McKENZIE: I understand that the minister has received a great many requests this year for the enlargement of this quarantine station. It has always been too small, and I hope that it will be made larger as soon as possible. As a matter of fact a new station would be much in the public interest.

Mr. J. D. REID: We have decided not to go on with any new works during the present year if we can possibly avoid it. We are merely putting in the votes for upkeep and trying to keep the buildings that we have in as good repair as possible pending the making of extensions or the erection of such new buildings as may be necessary.

St. John—Dominion buildings—improvements, etc., $7,000.

Mr. COPP: What are the buildings to which this vote is to be applied?

Mr. J. D. REID: Post office on Prince William street; customs house on Prince William street; old post office on Prince William street; savings bank on Princess

street; St. John West post office on Union street.

Mr. COPP: What is the old post office building used for now?

Mr. J. D. REID: Customs, I understand, and Public Works Engineer.

Maritime provinces generally—Dominion public buildings—improvements, repairs, etc., $25,000.

Mr. MACKENZIE KING: I notice there is no appropriation specially for Prince Edward Island. That seems to me a great oversight. As this item relates to public works for the Maritime Provinces generally, I should like to say a word on behalf of Prince Edward Island. I appreciate what the minister said a moment ago about the Government's intention not to provide for any new pubic buildings this year. That being so, I should certainly take the same view as the hon. member for Shelburne and Queen's (Mr. Fielding); but I should like to call the attention of the minister to the necessity for a public building at the village of O'Leary and one at the town of Alberton in Prince County, Prince Edward Island. Both of these localities are important business communities and distributing centres, and there is considerable need for adequate facilities and accommodation. I should be obliged, when the minister considers estimates for public building in the future, should he ever have occasion so to do, if he would make a point of looking into the needs of both these localities.

Mr. J. D. REID: My memorandum shows that repairs in Prince Edward Island come out of this general appropriation.

Quebec—Granby public building, alterations and improvements, $18,000.

Mr. GEO. H. BOIVIN (Shefford) (Mr. Steele in the Chair): Mr. Chairman I may not be in order in referring to the Budget debate to answer the question then put to the hon. member for Brome (Mr. McMaster). The query was: "Where is Granby?" I will not attempt to do so because hon. members know well where Granby is situated but they may not be equally conversant with the fact that the amount mentioned in the Estimates for alterations, repairs and improvements to the public building located in that city is very urgently needed. Before I ask the hon. the minister when the citizens of Granby may expect the long hoped-for and much-needed repairs to the local post office, I might be allowed to say that this building was erected in or about the year 1900 when the population of the village of Granby was less than 4,000. Since that time the village has become a city and now has a population of about 8,000 without taking into consideration the large farming community in the immediate vicinity. The post office has never been enlarged, and hundreds of our citizens, who desire to do so, are unable to secure and rent post office boxes. We should have a city mail delivery, but the citizens of Granby are patriotic and they realize that we must not ask for this convenience just at the present time. We have at Granby a large number of factories and the proprietors and managers of some of those more recently established have to apply to the general delivery wicket for their daily mail for the very simple reason that it is impossible for them to secure a box or drawer in the post office. The evening train arrives quite late and after the heavy mail is distributed, there is only about one half hour left to deliver the mail to the public before the wicket is closed for the night. Several merchants, and factory managers, and hundreds of citizens, are obliged to get their mail during that one half-hour with the result that the part of the building which is open to the public is absolutely packed and jammed at that particular time. It becomes absolutely unsanitary, and while our male residents fight their way through the crowd to reach their boxes or the general delivery wicket, our ladies and young girls are obliged to wait until the following day before they can secure any letters addressed to them. I cannot impress too strongly upon the department the necessity of making these repairs at once. I can assure the hon. minister that I was greatly pleased when the amount of $6,500 was voted last year for alterations and improvements to the building but I realized then, as the department has undoubtedly since ascertained, that the amount was not sufficient and I am glad that the work was delayed until the proper amount could be voted for the purpose. If the plans are not already made, I would suggest that the post office proper be extended to the entire ground floor of the building, that the stairway be removed and that the store-room for small parcels held in bond by the collector of customs which now occupies a large portion of the ground floor be placed in the upper part of the building. I feel that without enlarging the building otherwise than by adding an extra storey to the extension, the needs of the people of the city of Granby can be met for a few years and that we may live in hopes that as

soon as the finances of the country are in better condition we may be entitled to the privilege which has already been granted by this and former governments to other cities much less important than the city of Granby, where the mails are delivered to the homes, offices and business places of their citizens. Now may I ask the minister what is the nature of the contemplated repairs, when will they be commenced and when may we hope to see them completed?

Mr. J. D. REID: Not only as regards this appropriation, but as regards all appropriations in the Public Works Department for repairs to public buildings and wharves, the requests were made in every case by the department in control of the building or wharf. The Public Works Department has looked into each matter very carefully, and there is no doubt whatever that the repairs are urgently needed and should be made. This appropriation is required for the building of an additional storey over the existing extension of the public building at Granby to provide increased accommodation on the ground floor for the post office and also for general alterations to the interior of the building, including the removal of the staircase and the installation of toilets. The size of the extension over which the additional storey is to be built is 21 feet 6 inches by 37 feet 6 inches. The estimated cost is as follows: One storey addition over extension, $12,000; alterations to interior fittings, $4,000; contingencies and superintendence, $2,000; total, $18,000.

These repairs are urgently needed in every case. A speech similar to the one my hon. friend has made could be made, I suppose, by any member of this House in connection with any of the Estimates I am asking the House to pass. I should like to have these Estimates put through, tenders called for, and the work started as soon as possible because if I have to wait for some time, half the summer will be gone. My intention is to instruct the deputy minister to call for tenders and proceed with the work at once so far as these repairs are concerned.

Mr. BOIVIN: I hope the committee will not construe my remarks as an attempt to obstruct the passage of this item and on behalf of my constituents I desire to thank the minister for having once more placed it in the Estimates.

Mr. COPP: I do not rise for the purpose of opposing the passage of this item, but I want to take this opportunity of asking the Acting Minister of Public Works to apply the argument that has been so well made by the hon. member for Shefford (Mr Boivin) to other post offices and public buildings throughout the Dominion, and particularly to the post office building in the town of Sackville. My hon. friend says that the post office that is going to be repaired at Granby was built in 1900, when the population of the town was something like 4,000. The post office which I have requested the department to have replaced or rebuilt in the town of Sackville was not built in 1900, but in the 1840's. It was an old store before Sackville was a town, when in fact it was the smallest kind of country village, and hardly a village indeed. After the town became incorporated and began to grow, this store was moved off on a temporary foundation and has now been used for several years as a post office which would be a disgrace to any village, let alone a town. The town of Sackville to-day has a population of about 4,000 people, and furthermore, it is the seat of the Mount Allison institution which during nine months of the year has an attendance of 1,000 students, and of course they go to this post office for their mail. My hon. friend from Shefford says that the lobby of the post office at Granby is filled with people at mail time, and that business men have to stand at the wicket half an hour. The patrons of the Sackville post office have to stand at the wicket two hours, and then cannot get their mail. They have no post office boxes there or anything of that kind, and I say to the minister in all seriousness and frankness that the post office facilities in the town of Sackville are a disgrace to this country, a disgrace to the Government, and to the Public Works Department which has charge of the public buildings of our country. I have been drawing the minister's attention to this matter for some two or three years, and the excuse was given to me and to a delegation that came here from Sackville that it was impossible to build post offices or any public buildings while the war was on, but that when the war was over these public buildings would be given consideration. Well, the war is over, and the very first item the committee is asked to vote is the amount of $25,000 for grading and paving streets around Amherst drill hall. Amherst has no more need of a drill hall at this particular time than this Chamber needs another marble walk around it to keep people outside. I say again to my hon. friend that when he asks us to vote

public money for the grading and paving of streets around the drill hall at Amherst, and leaves Sackville and other towns absolutely without a decent and respectable place for the people to get their mail, it is a disgrace to the Public Works Department and the Government of this country. Our people have to pay their taxes, and pay handsomely at the present time, and yet the town of Sackville and other places throughout the country are left without decent postal accommodation. It is no more right to pass this item of $18,000 for the town of Granby than items to provide for decent postal facilities in the town of Sackville and other places throughout this Dominion where they are urgently required.

Grosse Isle Quarantine Station—new buildings and repairs, $200,000.

Mr. J. D. REID: This is for the construction of a superstructure for the new hospital at Grosse Isle Quarantine Station, the foundation of which was completed in 1915. It will comprise a medical building 40 by 34 feet, administration building 54 by 54 feet, five ward units each 126 by 40 feet, with passage connecting same. It is also proposed to build two wings at the present time.

Mr. DENIS: Will this item cover the cost of the whole work?

Mr. J. D. REID: It is proposed to build five wings at a cost of $100,000 each. That would make $500,000.

Ontario—Dominion public buildings—improvements, repairs, etc., $35,000.

Mr. MACKENZIE KING: What is this for?

Mr. J. D. REID: It is for the purpose of keeping in repair the buildings throughout the whole province.

Mr. MACKENZIE KING: Is it the customary vote?

Mr. J. D. REID: Yes.

Hamilton Post Office—improvements, $8,000.

Mr. J. D. REID: This is for a mezzanine floor for the whole ground floor of the Hamilton Post Office and to provide increased accommodation for the postal employees. The building is overcrowded and in a very bad state. We had a report only a week or so ago. It is absolutely necessary that something be done to protect the health of the employees.

Mr. PEDLOW: Has the minister, in these Ontario items, an appropriation for an extension to the post office building at Renfrew?

Mr. J. D. REID: These items are not for new buildings or extensions. The $35,000 item is a general vote to be used for repairs to buildings throughout the whole province. When the item is passed, we shall not have power or authority to use any of that money for new work or extensions.

Mr. PEDLOW: I understand that application has been made to the department for an extension to the Renfrew post office. The accommodation at the Renfrew post office is entirely inadequate for the business that is done, and I understand that the postmaster has made application for an extension to the building in order to provide proper accommodation for the work that has to be carried on. I understand also that plans have been prepared by the department and that an inspector of the department has surveyed the situation and recommended that the work be proceeded with. The condition at the Renfrew post office is pretty much the same as the conditions as represented by my hon. friend for Shefford at the Granby post office. The present building was erected when the population of Renfrew was about 4,000 people; to-day the population is in the neighbourhood of 7,000 people, and in addition to the extra work necessitated by the increased population there is also the work that is made necessary on account of the rural mail service, Renfrew being the centre for a large district. In view of these considerations, the present accommodation is not adequate. If there is no item in the Estimates for this purpose I appeal to the minister for consideration of this request from the Postmaster at Renfrew for this additional accommodation which is required there, which I understand has been reported on favourably by an inspector of the department.

Mr. J. D. REID: I have had a request from Renfrew for such an extension as the hon. member advocates and we have a report which would justify proceeding with the work. When the Supplementary Estimates are under consideration I hope to be able to do something in connection with the Renfrew case, which is among very many other urgent cases that have come before us.

Mr. MANION: As it is in order now for members to say a few words in behalf of their constituencies, I think it is time for me to say something in connection with a post office in my riding which I have been pressing upon the Government now for about four years, or at least since the Union

Government came into power. The town of Fort Frances has a population of about 4,000 and it has no public building of any kind. Its Immigration office, its Indian office and its post office and customs office are all located in ramshackle buildings which are entirely unsatisfactory. At various times I have taken this matter up, having brought it to the attention of previous ministers of public works as well as to the attention of the present minister, and they have all been very kind in promising early consideration of the question when spending any money on public buildings in the country, but nothing has been done. I should like at this moment once again to press upon the minister the desirability of doing something in this particular case, and I should like to have him give me an answer similar to that which he gave the hon. member (Mr. Pedlow). If any consideration is to be given to these smaller centres so far as the erection of new buildings is concerned, I insist that the town of Fort Frances, which is in dire need of attention, be not forgotten.

Mr. J. D. REID: I can assure the hon. member that in any consideration that may be given to the question of putting up new buildings the town of Fort Frances will not be overlooked.

Hamilton Postal Station "B", $25,000.

Mr. MACKENZIE KING: What is this for?

Mr. J. D. REID: This $25,000 is required to complete the construction of the building for postal station "B," on the south side of Barton street, immediately east of Stirton street. Description of building: Brick structure, 58 ft. 8 in. x 40 ft. 6 in., with annex 19 ft. 3 in. x 32 ft. 8 in; two stories and basement.

Mr. SINCLAIR (Queen's): When was this work started?

Mr. J. D. REID: In 1919.

Kingston Royal Military College—Enlargement of Educational block, $265,000.

Mr. MACKENZIE KING: This is a large item. Can the minister give us some information in regard to it?

Mr. J. D. REID: This building is under construction. The total amount of the contract is $326,884. To complete the contract $210,000 is required; for fittings and furniture, $25,000; for sidewalks and concrete work, $10,000; for superintendence, $20,000, making the total of $265,000 which is now asked for I have seen the building, which is a wing of the Royal Military College, and it justifies the expenditure.



Mr. COPP: When was the contract let?

Mr. J. D. REID: The date of the contract is April 12, 1919.

Mr. DENIS: It seems to me that just after the war this huge expenditure might have been avoided. This is a very large contract in these hard times, and for my part I am not satisfied that sufficient explanation has been given to show the necessity for this expenditure.

Mr. J. D. REID: The matter was all discussed last session when the Estimates were up. The contract has been let and the work proceeded with. In a reply to a letter from the Deputy Minister of Public Works of June 7, inquiring as to the necessity of a list of works requested by the Department of Militia and Defence to be noted in the Supplementary Estimates, the Deputy Minister of Militia and Defence, under date of 23rd of June, states as follows:

> I have the honour to acknowledge receipt of your letter of the 7th inst., and to inform you that the various items contained in your letter have been carefully gone into and it is requested that the following items which are urgently required be provided for in your Supplementary Estimates:
>
> Enlargement of Educational Block.. $150,000
> Complete new dormitory, adding two wings.. .. .. .. .. .. .. .. .. .. .. 100,000
>
> It is hoped that every effort will be made to provide these items.

Mr. MACKENZIE KING: What is the date of that letter?

Mr. J. D. REID: June 7, 1918. There was an item in the Estimates in connection with this matter last year, and the building must be very nearly completed by now.

Mr. MACKENZIE KING: What is the total cost?

Mr. J. D. REID: The total cost is $326,884.

Mr. MACKENZIE KING: I would point out to the minister that that is about one-third of a million dollars and a very large sum of money to expend on a building that is primarily to serve military purposes. Can the minister give us any idea as to why the authorities require a building of this size at this particular time?

Mr. J. D. REID: I do not think there is any member in the House who will realize the importance of the Royal Military College in Kingston more than the leader of the Opposition. Personally, I think that the Royal Military College in Kingston is one of the best institutions in Canada, and it does not serve military purposes exclusively. The young men who are turned

out of this institution are a credit to Canada, and it is important that the institution be enlarged. Of course, it is too late now to decide whether or not the work should be proceeded with, for the reason that $150,000 was voted in last year's Estimates, when the matter was thoroughly discussed. Parliament passed the item, the contract was let and the work is now pretty well completed.

Mr. MACKENZIE KING: I do not wish to be understood as arguing that the contract should be cancelled, or as in any way reflecting on the Military College, because I entertain the highest opinion of the work being done at that institution. As the minister has said the services performed by the college extend far beyond the immediate work it does in connection with the militia, although in that connection also it has been very useful. The point I wish to bring out is that these expenditures seem to have been contemplated since the termination of the war. It is rather remarkable that public buildings, in the nature of a drill hall at Amherst and this extension to the Military College, should have been undertaken since the signing of peace, whereas public buildings of a different nature, and for other purposes, are neglected altogether.

Mr. DENIS: As the minister has just said it is too late to repudiate the contract, but the question I would ask is: Why were these Supplementary Estimates not embodied in the main Estimates last year? Why were all these Supplementary Estimates, including probably this particular item, brought down at practically the last minute during the dying hours of the session when $40,000,000 was voted in the course of three or four hours? That is the very practice I have always opposed—although I am not alone in that—and shall continue to oppose. These Estimates are passed by Parliament without any accurate knowledge of them; if Parliament did have sufficient knowledge the items would not be allowed to pass in the way they have been. The country has no money to spare for such outlays; and moreover when the cost of building has gone up a hundred and fifty and even two hundred per cent above what it was before the war it is no time to undertake new buildings unless there is absolute necessity for them.

Mr. PEDLOW: Before this item is carried I would like to ask the minister if the contract for this extension to the Royal Military College was let by tender, or is being carried out on the cost-plus basis; and who the contractors are?

Mr. J. D. REID: It was let by tender, $326,884 being the lowest offer. The contract was awarded to the Piggott-Healey Construction Company, Hamilton.

Mr. CAHILL: How does it come that only $150,000 was voted for the work last year and a tender was accepted for $326,000?

Mr. J. D. REID: The estimate that is submitted to Parliament is supposed to be the amount that would be expended during that particular year; it is never the custom to put in the Estimates the amount the work is estimated to cost. It was estimated that $150,000 would be expended during the year ending March 31,

Mr. CAHILL: Will the vote which is now being taken complete the work, or will the minister come back next year and ask for an additional appropriation? Personally, I would like to encourage education in Ontario as much as possible. Anything that will bring light to Ontario is to be welcomed as a good thing, but we want to know where the expenditure for this particular undertaking will end.

Mr. J. D. REID: Out of the $150,000 voted last year about $125,000 is all that would be expended. This year we estimated that $210,000 would be required to complete the contract. Adding this amount to the $125,000 would make 335,000. However, the work may not cost that much. Then there is: Fittings and furniture, $25,000; sidewalks, grading, etc., $10,000; contingencies and superintendence, $20,000. That is the estimate, and we feel that we have got sufficient to complete the whole work, and probably more.

Mr. CAHILL: Could the minister give an estimate as to what the cost of superintendence amounts to, exclusive of the contingencies?

Mr. J. D. REID: In submitting the Estimates we generally put in about 10 per cent of the cost, but it is estimated that 8 per cent would be ample for this particular work, and it may not amount to that.

Kingsville, Public Buildings, $1,700.

Mr. CAHILL: Where is Kingsville?

Mr. J. D. REID: In the county of Essex. An item to construct the public building in Kingsville first appeared in the Estiments in 1910. It reappeared in the Estimates of 1910, 1911, 1912. In the last-named

year the Public Works Department expropriated the site which was part of the Windsor, Essex and Lakeshore Rapid Railway Company's property. The property was encumbered and legal proceedings have been in progress ever since. The proceedings as to title were only completed a few months ago and this amount is to pay the award for the property, $1,500 and $200 legal expenses, making altogether $1,700. It is not the intention of the Government to go on with the public building this year.

Oshawa, new public building, $5,000.

Mr. J. D. REID: This vote is required to complete the construction of the new examining warehouse at the existing public building. The items entering into it are: To complete the contract, $2,000; fittings and furniture, $2,000; sidewalks and grading, $500; contingencies, etc., $500, making a total of $5,000. The contractors are the Russell-Navin Construction Company, Toronto.

Ottawa Departmental Buildings; to connect with Central Heating Plant, $11,000.

Mr. CAHILL: What buildings are to be connected?

Mr. J. D. REID: The East Block, West Block, the Langevin Block, the Post Office and the Supreme Court Building.

Mr. CAHILL: Are the connecting tunnels not already built?

Mr. J. D. REID: They are already built, this is to connect them all.

Ottawa Department Building, fittings, etc., $100,000.

Mr. CAHILL: What is this vote for?

Mr. J. D. REID: The vote is required for the purchase and installation of steel filing cases, adjustable roller book shelves, steel drawers, and so forth, required for offices in the Parliament and departmental buildings, Ottawa. The increase of $25,000 in this appropriation is due to additional fittings necessary owing to the readjustment of offices, particularly in the Hunter building, the Daly building and the new Parliament Buildings, and also to alterations and additions to the fittings in the postal note division of the Post Office Department. The estimated cost of $15,300 was requested by the Post Office Department at different dates.

Mr. CAHILL: Where are those fittings usually bought?

[Mr. J. D. Reid.]

Mr. J. D. REID: These different fittings are made by two Canadian companies only. Of course, all this work is done through the Purchasing Commission, not by the department.

Mr. PEDLOW: Why is it that the department still insists on supplying the public service with steel cabinets? I had occasion to take exception to the purchase of these cabinets last year, when I pointed out that on a contract for 500 steel cabinets a saving could be effected of $7,000 by purchasing wooden cabinets of the same dimensions at $27 each, instead of $41 charged for the steel cabinet. I also obtained information at that time that the department had during the same year ordered about 2,500 of these steel cabinets at an average price of $49, entailing an increased expenditure over and above the cost of the same style of cabinets in wood of $55,000,—or in all an additional expenditure of $62,000 in that year As a result of the representations I then made the firm I interested myself in obtained a contract for a number of wooden cabinets, with a resultant saving to the department. I am at a loss to understand why the department still insists on buying the more expensive article. I made an investigation at the time of the claims made by the manufacturers of the steel cabinets that their product was fireproof, but I found that those claims were not well founded. Those cabinets are made of tin, and are merely a cooking apparatus for the documents contained in them. After the fire which destroyed the old Parliament Buildings it was found that the contents of the steel filing cabinets were charred beyond recognition, while the contents of the wooden cabinets were intact where the cabinets themselves were not entirely consumed, showing clearly that the wooden cabinet was preferable to the steel. But apart from that consideration is the enormous saving to be effected by purchasing wooden cabinets. I think that in the interests of economy the department should look into this matter and at all events give the wooden cabinets a trial in preference to purchasing the more expensive article, for I am sure that on investigation it will be found that the claims I am making on behalf of the wooden cabinet will be fully substantiated.

Mr. J. D. REID: This is the first time the matter has been brought to my attention. I will look into it and see if the saving suggested by the hon. member can be effected.

Mr. PEDLOW: On that item alone a saving of $62,000 could have been made on one year's purchases.

Mr. CAHILL: How much money was spent last year on these cabinets, and what price was paid?

Mr. J. D. REID: The deputy minister tells me that last year's vote was all spent. Tenders were called for, but I have not got them here. I can give them later on some other Estimates.

Mr. CAHILL: Perhaps we had better let this item stand.

Mr. J. D. REID: I promise the hon. member that I will supply him with the information.

Mr. CAHILL: That will be all right if my hon. friend does not forget.

Mr. J. D. REID: I will not forget.

Mr. FIELDING: The hon. member mentioned the Parliament Buildings among others. I thought it was understood that the fittings and furniture for these buildings would come under the special vote. Is not that so?

Mr. J. D. REID: The deputy minister tells me that some of these fittings are out of the general vote and some are out of the vote for the Parliament Buildings. These filing cases are kept in store and are handed out whenever they may be required in these or any other public buildings in Ottawa.

Mr. FIELDING: The hon. minister will remember that in the discussion which took place several weeks ago respecting the Parliament Buildings, the question was asked whether the furniture and fittings were included in the vote, and it was stated they were included. In fact, the question was raised whether or not the architect was not entitled to a commission on the furniture and fittings. It seems important that they should be charged to one vote or the other.

Mr. J. D. REID: There is quite a difference between the furniture of these buildings and filing cases installed at a later period. The former are really part of the fittings of the buildings, but these cases are only put in when they are actually required, otherwise we would have to pay a commission to the architect.

Mr. CAHILL: One hundred thousand dollars for filing cases seems to be an extraordinary amount of money. What departments did these cases go to last year, and under whose orders were they purchased?

Mr. J. D. REID: To all the departments.

Mr. CAHILL: What is the basis? How do you get such an item as $175,000 one year and $100,000 another year for filing cases?

Mr. J. D. REID: The filing cases purchased under this vote go to all the departments. The cases are bought in large quantities and are kept in store ready to deliver to whatever department requires them. They could not be ordered singly or in small quantities as it would take too long to get them delivered.

Mr. CAHILL: What do they cost?

Mr. J. D. REID: They cost $45 or $46 each.

Mr. CAHILL: Do I understand that if any department—say the Post Office Department—makes a requisition on the Public Works Department for 200 or 300 of these filing cases, the Public Works Department ascertains whether there is any necessity for the order? Or does it simply pass the requisition on to the half-defunct Purchasing Board and ask them to get tenders? Where does the check come in?

Mr. J. D. REID: I will tell the hon. gentleman the procedure. When the stock that we have on hand is reduced, tenders are called through the Purchasing Commission and the lowest tender is accepted. The filing cases required are then delivered and put in store under the control of the Public Works Department. If another department requires some of these filing cases, requisition is made on the Public Works Department, and the responsibility for the order rests on the head and deputy of the department making the requisition.

Mr. CAHILL: The matter, then, is dealt with as between the different departments. We ask the minister now for the prices that were paid the past year for these cases and the names of the firms from whom they were bought, but we are unable to get the information.

Mr. J. D. REID: I shall be glad to let the item stand until I can get the information for my hon. friend.

Item stands.

Toronto—Postal Station "A"—to complete, $425,000.

Mr. J. D. REID: This amount is required to complete the new terminal postal station

"A" forming part of the easterly wing of the new Union Station. The new Union Station is being built by the P. Lyall Construction Company, Limited, for the Toronto Terminal Railway company on a cost plus 3 per cent basis. Postal station "A" is a unit of the railway station, the Toronto Terminal Railway Company supervising its construction and charging the Government for the work. The Government also have an inspector there.

Mr. CAHILL: What is the work estimated to cost?

Mr. J. D. REID: Estimated total cost, $1,414,908.40; cost to date $1,079,341. Balance to complete $335,567.40; overhead charges, $10,000; fittings and furniture, $50,000; contingencies and superintendence, $30,000; total, $425,000. Hon. members will see that the work is pretty nearly completed.

Mr. MURPHY: Did I understand the minister to say that the work was being proceeded with by the P. Lyall Company on the basis of cost plus 3 per cent?

Mr. J. D. REID: They are building the Toronto railway station.

Mr. MURPHY: On that basis—cost plus 3 per cent?

Mr. J. D. REID: Yes.

Portage la Prairie—enlargement and improvement of public building, $30,000.

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

Mr. J. D. REID: This amount is required for the erection of an addition to the public building, situated on Ann street on the corner of Saskatchewan Avenue. The estimated cost of the addition is $25,000; alterations and fittings, $3,000; contingencies, $2,000.

Mr. CAHILL: Would that not be considered almost a new building?

Mr. J. D. REID: No, it is an addition.

Winnipeg—Postal Station "A"—improvements, $24,000.

Mr. J. D. REID: This is for the installation of an electric elevator to replace an escalator at the west end of the building, $12,863; marquees at the east end of the building to protect the mail trucks, $1,500; two tractors, $8,000; contingencies, $1,637; total, $24,000.

British Columbia—Kamloops new public building, $25,000.

Mr. COPP: What is this building for?

Mr. J. D. REID: This is an appropriation for the erection of a new public building for which a site was purchased during the present fiscal year.

Mr. COPP: Is it a new one?

Mr. J. D. REID: This is a new building, and I shall have to look into the matter. We shall let this item stand.

Item stands.

Vancouver Dominion buildings—improvements, repairs, etc., $10,000.

Mr. MACKENZIE KING: What is the difference between "British Columbia Dominion public buildings" and "Vancouver Dominion public building"? This looks like a repetition of the same thing.

Mr. J. D. REID: We have a special appropriation for public buildings in a large city, and then we have an appropriation for public buildings in the province.

Williams Head quarantine station—land—including interest of 5 per cent from date of expropriation, $10,000.

Mr. MURPHY: What is the date of the expropriation?

Mr. J. D. REID: This amount is required to pay for 18¼ acres of land expropriated from Mrs. A. T. Watt, on the 13th May, 1918:

Experimental farms—new buildings and improvements, renewals and repairs, etc., in connection with existing buildings, fittings, etc., $200,000.

Mr. COPP: Explain.

Mr. J. D. REID: This appropriation is required for the erection of new buildings and for improvements, renewals, repairs and so forth to existing buildings at the several experimental farms and stations established throughout the Dominion, and it is asked for by the Deputy Minister of Agriculture in a letter dated 15th January, 1920. The $200,000 is made up as follows:

| | |
|---|---|
| Ottawa and Tobacco division | $ 53,235 |
| Charlottetown, P.E.I. | 6,450 |
| Kentville, N.S. | 8,600 |
| Nappan, N.S. | 6,500 |
| Fredericton, N.B. | 5,500 |
| Ste. Anne de la Pocatière, P.Q. | 8,750 |
| Cap Rouge, P.Q. | 15,250 |
| Lennoxville, P.Q. | 9,200 |
| Morden, Man. | 9,150 |
| Brandon, Man. | 12,900 |
| Indian Head, Sask. | 3,700 |
| Rosthern, Sask. | 5,600 |
| Scott, Sask. | 5,100 |
| Lethbridge, Alta. | 16,065 |
| Lacombe, Alta. | 5,400 |
| Summerland, B.C. | 17,150 |
| Inverness, B.C. | 1,950 |
| Agassiz, B.C. | 3,200 |
| Sidney, B.C. | 6,300 |
| Total | $200,000 |

A comparatively small amount.

Mr. COPP: This is a pretty large item, covering suggested improvements in the different branch experimental farms as well as the Central Experimental Farm at Ottawa. Building operations will be very expensive during the present and the coming year, and these experimental farms and stations all constitute a very large bill of expense to the country without considering the cost of erection of new buildings. If you go through the Auditor General's Report, you will find that these branch experimental stations cost from $40,000 to $75,000 a year without any returns coming in. Therefore, under present conditions when the department has to refuse requests for the erection, in many places throughout the Dominion, of public buildings such as post offices and so forth, that are required to give ordinary and proper facilities, the minister might well pause when he is requested to spend $200,000 for the erection of buildings in experimental stations throughout the country. I understand that last year a barn and a new cellar were constructed at one of the experimental stations at fairly heavy expense. When the roots were gathered from this magnificent farm, costing the public something like $50,000 with returns amounting to something like $3,000 a year, the roots were placed in the cellar and when the first touch of frost came, they were all frozen and destroyed. If that is the way in which the business of experimental farms is to be carried on, and year after year we are to be asked to vote these large sums of money, I would draw the minister's attention to the fact that the people are not looking for the expenditure of money along these lines at the present time. The word "economize" has been suggested to the country and particularly to hon. gentlemen on this side of the House as regards all things. If the Government is going to economize, the acting Minister of Public Works might very well cut this item from the Estimates. I am sure there is no very great demand nor need for the expenditure of $200,000 on experimental stations throughout the Dominion, and this is simply piling up a very much heavier loss to the country than we would otherwise have. Let the minister visit the different experimental stations and compare the buildings and barns used there for experimental purposes with the buildings the ordinary farmer has to use on his farm. Yet the minister is asking these farmers to pay exorbitant taxation on their farms to keep up beautiful exhibits here and there throughout the Dominion like the Central Experimental Farm which is used as a pleasure resort for certain individuals, and which is a very pleasant place in which to spend a holiday. This is a time when the Government is asking the people of the Dominion to delve down deep into their pockets, and deeper this year than ever before, for carrying on the operations of the Dominion and paying the interest on the enormous war debt that has been rolled up, whether rightly or wrongly, by extravagance or otherwise. This debt confronts us; the people have to pay it; they cannot build these fine showhouses; they cannot have conservatories filled with flowers for their enjoyment; and it is playing a little too much on the patience of the people of the Dominion to ask them to pay $200,000 so that few individuals may be able to visit these magnificent spots that are costing so much without a corresponding return to the revenues of the country.

Mr. J. D. REID: Requisitions were sent in to the Deputy Minister of Agriculture showing what it was considered was actually required for repairs and necessary works in connection with carrying on these farms. The Deputy Minister of Public Works and his staff took the matter up with the Deputy Minister of Agriculture for the purpose of trying to cut these items down to the very smallest possible amount. This is what the Deputy Minister of Agriculture stated in reply to a letter from the Deputy Minister of Public Works:

> In reply I would say that these Public Works' estimates, as originally sent in by the Director or Experimental Farms, amounted to nearly $700,000, but I cut down this sum to $200,000, and do not think I can possibly ask for less.

And so on. As regards the statement of the hon. member that the experimental farms are really of no benefit to the people of Canada, for that is really what his statement means—

Mr. COPP: I mean the benefit to the country does not correspond to the expenditure.

Mr. J. D. REID: There is quite a difference of opinion as far as that is concerned. I believe these farms are of great value and that they are appreciated by the people. Some, if not all, of the Provincial Governments are undertaking this kind of work, although probably not on as large a scale. My experience has been that the farms have been of great benefit, and we must certainly keep them in repair. I think when the Estimates of the Department of Agriculture are before the committee that

would be the proper time to bring up the question whether we are receiving benefits corresponding with the expenditure involved in keeping up these farms. If the House thinks we are not receiving sufficient benefit the item, of course, should be struck out and the farms closed up, but personally I feel that the experimental farms are one of the last things that we should curtail expenditure on.

Mr. COPP: I can readily understand that applications have been made by the gentlemen who have charge of these farms. If all the managers and superintendents had the same viewpoint as the managers and superintendents of the farms I know, they would ask for $7,000,000 just as readily as for $7,000. What repairs are to be made to buildings on the experimental station at Fredericton, New Brunswick?

Mr. J. D. REID: Implement and feed storage shed, $3,000. I think my hon. friend will agree that that amount should be spent, if machinery has to be stored. Repairs to the superintendent's house $500, repairs to Peter's barn $500, general repairs $1,000, emergency repairs $500.

Mr. COPP: I think he might very well store his machinery in the cellar he built to store roots in. That might also hold grain. I repeat, these gentlemen would just as soon ask for $7,000,000 as for $7,000, and it would take no more postage to ask for the larger amount. If you gave them $7,000,000, they would squander it just as they squander what you vote for them. I still insist that the minister has not given the slightest reason why this item should pass the committee at the present time. The people of this country are not in a mood to vote money to be handed over to these gentlemen who are not in any way responsible to any person, and who will spend it in the lavish and extravagant way they have been spending money on these farms. My hon. friend says there is a difference of opinion as to the value of experimental farms. I have no doubt there is, but there is no difference, or should be no difference, in the minds of hon. gentlemen as to the necessity for economy in the operation of these farms, and I do not believe there is a member of this House who knows how these farms are operated who will say that there is not extravagance and waste in their operation. I do not believe the people are getting benefit corresponding with the amount of money expended. I do not say, close up these farms; but it seems to me at the present time we should get along for one year without expending $200,000 on a place to store machinery. The farmers throughout his Dominion have not stone warehouses in which to store their machinery. They have to put their machinery in their barn, which may not be quite so convenient, but nevertheless they have to do it. Any one who has seen these branch stations, and the machinery they have, knows that they can store the machinery in their present buildings. The experimental farm at Fredericton can take care of all their machinery in buildings they now have, and the superintendent's house might very well get along without these extraordinary repairs, just as other people's houses throughout this Dominion have to go without repairs, on account of the high cost of labour and materials at the present time. It is all very well for the superintendent of the farm. I know of some experimental stations where the land was bought and buildings erected just to give a man a job, and now we are called upon to expend $50,000 a year to keep a job for this gentleman. Now, he says: My house is not just as it should be; and perhaps I want oak floors in my house, and mahogany finish. So the people are called upon year after year to hand over $50,000 for this gentleman. Now we are asked to vote $200,000 to repair these stations and buy a little furniture and make their places look natty and neat at the expense of the country, while the ordinary people have to exercise economy and do without these things.



Flags for Dominion Public Buildings, $5,000.

Mr. CAHILL: Would the minister explain this item?

Mr. J. D. REID: The Public Works Department buys flags for all the public buildings throughout the Dominion.

Mr. CAHILL: What flag do they use?

Mr. J. D. REID: The Union Jack.

Mr. LAPOINTE: Not the Irish Republic flag?

Mr. J. D. REID: No, just the Union Jack.

Mr. COPP: Did you supply one for Sackville public building?

Mr. J. D. REID: Every public building is supposed to have a flag.

Mr. COPP: I would suggest that you send down a flag flying a signal of distress for the Sackville post office.

Mr. J. D. REID: We will send you two.

Port Hood—Wharf repairs and extension, $7,000.

Mr. CHISHOLM: Let me urge on the minister the importance of having this work attended to as speedily as possible. This item has been re-voted several times and I have brought the matter to the attention of the minister's predecessors. This is work that has been unduly neglected, and to put it in the condition in which it was five years ago will cost $30,000. Had the work been done when it first called for attention a few hundred dollars would have been sufficient. The longer it is neglected the more it will cost to put it in good shape. I trust the minister will attend to the matter without any delay. I want to inform him further that any work that is done on the shore must be done in June and July, otherwise it is useless to spend any money there. Thousands of dollars have been mis-spent in connection with work there which was inopportunely done.

Mr. J. D. REID: I agree with my hon. friend, and that is why I want these small items, which are urgently required, to go through as expeditiously as possible. I hope the hon. member will help me to get them through.

Shenacadie—wharf, $12,000.

Mr. McKENZIE: Is that contract let?

Mr. J. D. REID: Yes. E. M. Dickson, of Louisburg, is the contractor. His contract was $11,831.30 and he was the lowest by a couple of hundred dollars.

Prince Edward Island—Harbours and Rivers generally—Repairs and improvements, $14,000.

Mr. MACKENZIE KING: I notice there is no special reference to the deepening of the Narrows and I have had some correspondence in connection with the matter. I should like the minister to give me an assurance that the work will be done. There is certain necessary dredging work to be done in The Narrows, in Prince county, to connect the deep water of Malpeque bay and Biddeford river with the deep water in Conway inlet, with the deep water in Conway river. Last summer the department made a survey of the locality.

Mr. J. D. REID: May I point out to my hon. friend that this is not the proper time to bring forward that matter. That item comes under "dredging."

Mr. MACKENZIE KING: Will my hon. friend give me an assurance now that he will do the work?

Mr. J. D. REID: I promise to give the matter very serious consideration.

Mr. SINCLAIR (Queen's): I would ask the minister if it is intended to spend any money on Graham's Run? There was a petition presented to the department last year asking that certain improvements be made there for the purpose of improving the boat harbour.

Mr. J. D. REID: It is under consideration for the Supplementary Estimates, it is not in this vote.

Mr. SINCLAIR (Queen's): Do I understand that it is in the Supplementary Estimates?

Mr. J. D. REID: It is under consideration in connection with those Estimates.

North Lake—Boat harbour, $27,000.

Mr. SINCLAIR (Queen's): Why was this amount not spent last year?

Mr. McISAAC: I may point out that the contract was let late last fall and the work could not be proceeded with then. They were prepared for the work and afterwards got the lumber. I understand that the work is now going on.

Mr. J. D. REID: It is under contract.

Mr. SINCLAIR (Queen's): What was the date of the contract?

Mr. J. D. REID: August 19, 1919.

Mr. SINCLAIR (Guysborough): What was the amount of the contract?

Mr. J. D. REID: The contract amounted to approximately $25,500.

Wood Islands (P.E.I.)—repairs to breakwater, $800.

Mr. SINCLAIR (Queen's): Has a contract been let for the work?

Mr. J. D. REID: No, it is being done by days' labour.

Cocagne (N.B.)—repairs to wharf, $1,700.

Mr. LEGER: On what wharf is this money to be expended?

Mr. J. D. REID: There is a wharf one mile to the north called, "Cocagne Church Wharf." This is work that the hon. gentleman wished should be done.

Mr. ARGUE: I notice that the total vote for repairs to wharves, bridges, breakwaters, and so forth, in New Brunswick, is $172,525. A few minutes ago we listened to one of the representatives from that province expatiating on the expenditure of $200,000 upon experimental farms throughout the Dominion.

I wish to say that I do not believe the Government could expend a dollar anywhere in the Dominion more profitably than they do on experimental farms. But when we come down to the matter of wharves and bridges, and that sort of public works, in the East, you never hear one word of complaint; the representatives from that part of Canada are always asking for more. I think it is about time that as much money was spent on experimental farms as is being voted for wharves and breakwaters.

Mr. COPP: My hon. friend is a little late in speaking about experimental farms because the appropriation for that purpose has been passed. Still if he wants to continue the discussion on it, I am prepared to do so. With regard to the items under consideration I am not asking for any more expenditures. I did not even ask the Minister of Public Works to insert in the Estimates the appropriations that are now being passed. I should, however, say to him that in so far as regards the public works that are now under way he might very well devote some of the money to establishing post offices here and there throughout the province of New Brunswick. That would be much more appreciated than the votes which have just been sanctioned. While I am on my feet I would like to ask the minister whether the works for which large sums have been voted will be carried out by contract?

Mr. J. D. REID: In the case of every expenditure over $5,000 tenders must be called for.

Mr. CAHILL: Except in the case of ships.

Harbours and Rivers, Quebec, $519,400.

Mr. GAUVREAU: Before proceeding with these items I want to draw the minister's attention to the fact that there is no provision made for the completion of the wharf at the western end of Isle Verte. May I ask that the Minister of Public Works will look into the matter and insert $6,000 in the Supplementary Estimates for this purpose. Last session the then minister, Hon. Mr. Carvell, admitted the necessity for this work which is intended to help the islanders to transport their products promptly to the nearest market. These men are practically isolated and there is no means of transportation for them except by boat. Wharves have been started at both ends of the island, but at present it is impossible for the schooner which calls there to stop. The eastern wharf is under contract, and I was promised that the western wharf would be completed this summer.

Mr. J. D. REID: I have a great deal of sympathy for the people living on the shores and islands of the Gulf of St. Lawrence, who are far away from railway communication, and depend entirely upon navigation for facilities to carry their fish and other commodities to market. I know the place that my hon. friend refers to, and realize the urgent necessity for the work. I have a note to make provision for pressing this work forward when we are making out the Supplementary Estimates, and I promise the hon. member I will do my part with my colleague to have the item to which he refers included with the other Estimates.

Mr. GAUVREAU: If the other ministers do as well as the Minister of Railways I am sure I shall get the appropriation.

Ontario—harbours and rivers—North Bay—repairs to wharfs, $800.

Mr. HARRISON: I would like to know if there is a possibility of getting anything in the Supplementary Estimates this year for the shore protection at North Bay, in connection with which, I understand, an engineer was sent up to report. The whole of our park and the property of summer residents in that section will be washed away unless some protective work is undertaken this year.

Mr. J. D. REID: I sent an engineer to North Bay to make a report, and he is still there. When I receive his report I will see if anything can be done.

Mr. FIELDING: Now, Mr. Chairman, I think we have done our eight hours' work and ought to be allowed to adjourn.

Mr. J. D. REID: Yes. I move that the committee rise and report progress.

Progress reported.

On the motion of Rt. Hon. Mr. Doherty the House adjourned at 11.30 p.m.

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## Monday, June 7, 1920.

The House met at Two o'clock.

### PAPERS TABLED.

Orders in Council covering the cost of living bonus for employees of the Civil Service for the year, 1920-21.—Hon. N. W. Rowell.

Orders in Council in connection with the Federal Housing Scheme relating to the housing projects of the provinces of Ontario, British Columbia, Quebec and Saskatchewan.—Hon. N. W. Rowell.

## FISHERIES TREATY WITH UNITED STATES.

On the Orders of the Day:

Mr. D. D. McKENZIE (Cape Breton North and Victoria): I am sorry that the Minister of Marine and Fisheries (Mr. Ballantyne) is not in his place, as I sent him a copy of a telegram which I received this morning, but probably the Prime Minister can give me some information in regard to it. This is the telegram:

Ascertain if the Fisheries Treaty will be submitted to Parliament for ratification present session and when.

I understand that some people propose to become interested in our Nova Scotia Fishery enterprises, and they are anxious to ascertain what is in the Treaty before taking action.

Sir ROBERT BORDEN: The Treaty has not yet reached us from Washington since its signature. As soon as we receive it early consideration will be given to what my hon. friend has advanced, the importance of which I quite realize.

## THE WEST INDIES CONFERENCE.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX (Maisonneuve): Might I ask the Government how long the West Indies Conference will sit, and if a full report of its proceedings will be given to the House before the end of the present session?

Rt. Hon. ROBERT BORDEN (Prime Minister): The conference expects to get through its work during the present week, I understand. The usual information as to the conference will, of course, be presented to Parliament, and if the conference reaches any definite conclusions these will if necessary be submitted by way of proposals to amend existing legislation dealing with our commercial relations with the British West Indies and the other colonies concerned.

## PRIVATE BILLS.

### SECOND READINGS.

Second reading of Bill No. 154 (from the Senate), intituled: "An Act for the relief of Albert Ernest Bulley."—Mr. Fripp.

Second reading of Bill No. 155 (from the Senate), intituled: "An Act for the relief of Beatrice Booth Gendron."—Mr. Fripp,

### QUESTIONS PASSED AS ORDERS FOR RETURN.

Mr. BOYER:

1. What are the names of the companies who made munitions during the war?
2. Where were they located?
3. Which are those who made munitions for the Canadian Government, and those who made munitions for foreign governments, and the names of these governments?
4. What are the names of the companies still existing, specifying those in operation, and those not in operation?
5. What are the names of the manufacturers of all kinds of explosives in the country and the places where they are located?
6. Which are those actually in operation?
7. Can those companies manufacture on a permit from this Government, or if, generally, it is left to provincial legislatures to grant these permits?

Mr. COWAN:

What amounts have been paid to the following newspapers during the fiscal years 1919 and 1920 respectively for (a) advertising, (b) printing: Montreal Gazette and The Gazette Printing Company, Montreal Daily Star, The Globe, Toronto, The Mail and Empire, Toronto, The Telegram, Toronto, The Star, Toronto, The Journal and the Journal Press, Ottawa, The Citizen, Ottawa?

## CIVIL SERVICE ACT AMENDMENT.

On motion of Hon. N. W. Rowell (President of the Privy Council), Bill No. 53, to amend the Civil Service Act, 1918, and the Civil Service Amendment Act, 1919, was read the third time and passed.

## COMMERCIAL FEEDING STUFFS.

### REGULATIONS CONCERNING SALE AND INSPECTION.

On motion of Hon. Mr. Tolmie (Minister of Agriculture) the House went into committee to consider the following proposed resolution, Mr. Boivin in the Chair:

Resolved, that it is expedient to bring in a measure to regulate the sale and inspection of commercial feeding stuffs, bran, shorts, middlings and chopped feeds, and to provide,—

1. That in the following resolutions, unless the context otherwise requires,—

"Commercial feeding stuff" means any article offered for sale for the feeding of livestock and poultry, including feeds stated to possess medicinal as well as nutritive properties, but not including, (a) hay and straw; (b) whole grains of wheat, rye, barley, oats, corn, buckwheat or flax seed; (c) chop feeds; (d) bran, shorts or middlings when unmixed with other materials; (e) wet brewers' grains, roots or other materials containing sixty per centum or more of water;

"Chop feed" means the mixed or unmixed meals made directly from and consisting of the

entire clean grains of wheat, rye, barley, oats, Indian corn, buckwheat and flax seed;

"Feeding stuff" means any commercial feeding stuff, bran, shorts or middlings and chop feed;

"Minister" means the Minister of Agriculture.

2. (1) That every sack, bag, bin, or other container of commercial feeding stuffs sold or offered, exposed or held for sale, shall have affixed thereto a tag or label in a conspicuous place on the outside thereof, containing a legible and plainly printed statement of, (a) the name, brand or trade mark of the contents; (b) the full name and address of the manufacturer; (c) the specific name of every ingredient contained in the feed; (d) the registered number; (e) the analysis as guaranteed by the manufacturer which shall show the percentage content of protein, fat and fibre.

(2) That in the case of car lots in bulk, the provisions of this resolution shall be held to be fulfilled if the statement required therein is attached to the invoice or bill of lading delivered to the purchaser.

3. That no make of commercial feeding stuff shall be imported into, distributed, sold or held for sale in Canada unless it has been registered with the Minister of Agriculture and a registration number assigned to it. Application for registration must be made by the manufacturer and must be accompanied by a registration fee of two dollars, a sealed representative sample of at least one pound of such feeding stuff, and a statement of the contents of such feeding stuff in such form and containing such details as the minister by regulation may prescribe. The registration shall be for a period continuing until the first day of October following the date upon which it is granted, but such registration may be renewed from year to year. The conditions for renewal shall be the same as those for the original registration.

4. (a) That the minister may refuse to register any commercial feeding stuff under a name or brand which in the opinion of the minister, would tend to mislead or deceive with respect to the materials of which it is composed, or when the statement of the contents is in the opinion of the minister incomplete or misleading. The minister may also refuse to register more than one commercial feeding stuff under the same name or brand.

(b) That the minister shall have power to cancel any registration which in his opinion has been made in violation of any of the provisions of the proposed Act or of any regulation.

(c) That no change in the composition of a registered brand of commercial feeding stuff shall be made without re-registering it.

5. That every sack, bag, bin or other container of chop feed made from and consisting of more than one kind of clean grain, when sold or offered, exposed or held for sale, shall have affixed thereto a tag or label in a conspicuous place on the outside thereof, containing a legible and plainly printed statement of the ingredients contained in the mixture and the percentage by weight of every ingredient.

6. That every lot of bran, shorts or middlings sold or offered, exposed or held for sale must meet the requirements as to quality and chemical contents established for them respectively by regulations under the proposed Act, or be registered and sold as commercial feeding stuffs as required by the foregoing resolutions numbered 2 and 3.

7. That no grain, screenings or any other ingredient which contains in excess of the quantity allowed by regulation, any seeds, damaged grain or other material designated by regulation of the minister as injurious to the health of livestock or poultry, shall be used as a constituent of any feeding stuffs.

8. That no feeding stuff shall be sold, or offered, exposed or held for sale, which contains any vital weed seeds in excess of the quantity allowed by regulation.

9. That if any make of feeding stuff imported into Canada be found to be adulterated or incorrectly or misleadingly labelled or named, or if in any way its sale constitutes an infraction of the proposed Act, its further importation may be forbidden by the minister.

10. That any purchaser of feeding stuff may have an analysis made thereof by an official analyst, and the certificate of analysis shall be accepted as evidence in any prosecution, and the minister may publish the result of the analysis or other examination of feeding stuff.

11. That any officer or person charged with the enforcement of this proposed Act shall have access to any elevator, warehouse or other premises where grains or other constituents of feeding stuffs are blended, or supposed to be blended, for the manufacture of feeding stuffs, and any premises or receptacles containing or supposed to contain feeding stuff, wherever they may be located, and may take any samples from any receptacle on payment of the value of such samples.

12. That the minister shall have power,—

(a) To appoint an advisory board which may at his request define for his guidance and recommend regulations that may be established under the proposed Act;

(b) To make regulations prescribing the maximum amount of whole or ground weed seeds and other substances which may be allowed in any grain or other ingredients used for the manufacture of feeding stuffs, without affecting the right to describe it as clean within the meaning of the proposed Act;

(c) To make regulations establishing a standard of quality and contents for, and fixing the limits of variability permissible in any feeding stuff or ingredient or constituent thereof;

(d) To designate the kind of damaged grain, seeds or other material which shall be considered as injurious to the health of livestock or poultry within the meaning of the proposed Act

(e) To make regulations prescribing the size, colour and character of the labels to be used for the purposes of the proposed Act, and the size and kind of printing to be used for any particulars required to be printed on such labels;

(f) To make regulations prescribing how samples of feeding stuffs are to be taken and analysed; and

(g) to make regulations for any other purpose deemed by him to be necessary for the carrying out of the provisions of the proposed Act.

13. That any person accused of selling, offering, exposing or having in his possession for sale any feeding stuff which does not comply with the requirements of the proposed Act or of any regulations thereunder, who proves that the feeding stuff respecting which action was taken was bought by him directly from a manufacturer or merchant domiciled in Canada, that it was neither opened nor the state of the feed altered while it was in his possession, and that he had no reason to believe that the said feed-

ing stuff did not comply with the provisions of this proposed Act, shall upon disclosing the name and address of the person from whom the feeding stuff was purchased, the place purchased and the date of the sale, be liable only for the cost of the prosecution; and that every magistrate who has disposed of any such case shall within one month from the date of his judgment therein send to the minister a report of the case giving the name and address of the person who sold the feeding stuff to the accused, and the date and place of the sale; and any prosecution against any person pursuant to the report made to the minister under the foregoing provision may be commenced within six months from the date of such report and not later.

14. That except as provided in the preceding resolution a penalty for violation of these provisions not exceeding $100 for a first offence, and of not less than $100 and not exceeding $200 for a second offence, and for each subsequent offence of not less than $200 and not exceeding $500, together with the costs of prosecution, be enacted, and in default of immediate payment of such fine and costs, imprisonment for a term not exceeding twelve months unless such fine and costs are sooner paid, and the feeding stuff shall be liable to forfeiture to His Majesty.

15. That the penalty for obstructing any officer or person charged with the enforcement of the proposed Act, when entering any premises to make any examination of any feeding stuff, or refusing to permit the making of such examination or the taking of samples, shall be a fine of not less than $25 and not more than $500, or imprisonment for any term not exceeding twelve months.

16. That the penalty for forging or unlawfully using any manufacturer's registration number or any certificate of analysis or other examination hereunder shall be a fine not exceeding $200 for the first offence and not less than $200 and not exceeding $500 for each subsequent offence, or imprisonment for a term not exceeding twelve months or both fine and imprisonment.

17. That this proposed Act shall not apply to feeding stuff sold to a manufacturer for the purpose of cleaning or mixing, or to feeding stuff manufactured for any person from his own materials and for his own use.

18. That in any complaint, information or conviction hereunder, the matter complained of may be declared, and shall be held to have arisen, within the meaning of Part XV of the Criminal Code, at the place where the feeding stuff was sold, or offered, exposed or had in possession for sale.

19. That the Commercial Feeding Stuffs Act, 1909, be repealed, and that the proposed Act shall come into operation on such date as may be prescribed by proclamation issued by the Governor in Council.

Mr. TOLMIE: In connection with this resolution I purpose asking the House for leave to introduce a Bill to Regulate the Sale and Inspection of Commercial Feeding Stuffs, Bran, Shorts, Middlings and Chopped Feeds. It is proposed that this shall be a substitute for the Commercial Feeding Stuffs Act of 1909, which will be repealed. It will also replace Bill No. 32, introduced by the Minister of Health (Hon. Mr. Rowell) and will include amendments to the Commercial Feeding Stuffs Act. It is proposed to turn over the operation of this Act to the Department of Agriculture.

Mr. BUREAU: Does Bill 32 deal with honey?

Mr. TOLMIE: No.

Mr. BUREAU: What is the purport of Bill 32?

Mr. TOLMIE: It had reference to commercial feeding stuffs, and was introduced by the Minister of Health. It is now withdrawn and this Bill is substituted for it. Previously, the Commercial Feeding Stuffs Act was administered by the Department of Inland Revenue and now by the Department of Health. All hon. members will, I think, agree that as these feeding stuffs are being used in the feeding of livestock and as the Department of Agriculture is being constantly brought into contact with questions regarding feed, it is only proper and right that the latter department should administer this legislation in the future. Moreover, we already have, in connection with the seed branch, a trained staff that has been rendering valuable service in the inspection of seeds, and this staff can be used largely in the administration of the proposed measure.

The objects of the Bill are to secure a more efficient control of feeding stuffs and also to assure the purchaser that he is getting what he is paying for, so that he can purchase this material at a price that he considers reasonable and fair. For a number of years Canada has been the dumping ground of feeds from other countries, these feeds being adulterated with ground peanut shells, ground cocoanut shells and so forth. Under the proposed Bill, we shall have control of this. There have also been put on the market certain fake feeds, feeds not possessing any real value as feeds. These fake feeds are widely advertised by highly coloured advertising matter and they have been used to fool the Canadian cow and also the cow owner. Other feeds have shown a satisfactory chemical analysis, but they have proved unpalatable owing to the nature of the weed seeds contained therein. In other cases feeds have been found to contain black seeds from screenings, these black seeds being absolutely injurious and, in some cases, poisonous to livestock, particularly so to young hogs, and in some districts very serious losses have occurred from this cause. From experiments carried on at our experimental farms these black seeds

have been found to be absolutely useless as regards feeding value, in addition to being poisonous under certain conditions.

In addition to inspecting these feeds at the point of sale and distribution, as was carried on under the old Feeding Stuffs Act, we purpose, under this new measure, to inspect the feeds where they are congregated and mixed, so that we shall have an inspection at each end. Further than that, analyses will be made as to the chemical contents of the feeds and a careful physical examination will also be made.

It is proposed, for the working out of this legislation, to classify these feeds into commercial feeding stuffs which will include any article offered for sale for the feeding of livestock, including particularly feeds stated to possess medicinal as well as nutritive properties, but not including hay, straw, whole grain, chop feeds; bran, shorts, or middlings when unmixed with other materials; wet brewers' grains, roots or other materials containing 60 percentum or more of water.

"Chop feed," which is another classification, will be composed of mixed or unmixed meals made directly from and consisting of the entire clean grains of wheat, rye, barley, oats, Indian corn, buckwheat and flaxseed, which may be used separately or in combination. It is proposed to attach tags to these bags containing chop feed showing clearly what they contain.

Regulations will be necessary for the purpose of giving the minister and the Department of Agriculture a certain amount of elasticity in working out the requirements of this legislation. It is necessary to have these regulations for the purpose of meeting new conditions without delay, in conneciton with certain feeds that might be more numerous in some years than others, seeds of such a nature as not to be suitable for feeding purposes, also in certain seasons in connection with the handling of damp grain used in these feeds. The power to change these regulations from time to time to meet requirements which may arise will render the Act much more efficient than it otherwise would be.

It will be necessary to register all feeds, whether imported or home grown, and a fee of $2, will be charged for this registration. The minister or the department may refuse to register in any case where the department is of the opinion that it is the intention of the manufacturer to mislead the purchaser, and registration may be cancelled at any time if a man is caught violating any of the requirements of this legislation. Moreover, no change in combination can be made without re-registration.

Many difficulties have arisen in the past through purchasers of feeds having to use certain feeds for feeding dairy cattle, hogs and other animals, with having proper knowledge of what those feeds contain. A great deal of deleterious material has been used and sold as good feed when it possesses almost no feeding value whatever. In this way the progressive dairyman has been under a great difficulty; he has been unable to balance properly his ration for his dairy cows, and he has been thus prevented from obtaining the best results. Under the old conditions, in selecting certain rations for growing stock, which rations are somewhat different from those which might be required for the production of beef or pork, he has been unable to balance a ration for the purpose required.

Some articles that have been used in the composition of these feeds have been found to have a very bad effect. This is the case where fish meat is used in preparing food for hogs, because, as hon. members are aware, fish that has not been properly deodorized gives a fishy taste to pork and makes it unfit for food.

This resolution has been presented to the Committee on Agriculture by whom it has been very carefuly studied and adopted.

It is proposed to eliminate the last eight words in section 5:

> And the percentage by weight of every ingredient.

Because it would be impossible to obtain by weight the exact quantity of any particular grain. Many farmers nowadays are growing grains in combination for feed purposes because a larger yield is obtained in that way, and in a case where a man brought in a certain quantity of feed consisting of peas, oats, wheat and barley it would be practically impossible to say how much of each particular grain was contained therein. I hope this resolution will be adopted by the committee and that I shall be allowed to introduce a Bill along these lines.

Mr. ROBB: I have no criticism to make in connection with the resolution as printed, and I am very much in sympathy with the idea of transferring the matter to the Department of Agriculture. When I rose first, it was my intention to point out to the minister the amendment that he has just suggested, that it is not workable that percentages of whole grain should be placed on the tags. That would lead

only to confusion and irregularities. The minister may be adding additional expense to the purchaser of chop feed by compelling the man to place tags upon all bags of chop feed, and some simpler and cheaper way of getting over this might be devised. My experience is that large handlers of chop feed in many cases send out their own bags to the mill and have them filled. They buy this feed on sample and in most cases they are quite satisfied. I am not sure that there is any great demand amongst feeders throughout the country for tags on chop feed from whole grains, and in this connection I am speaking of whole grain only. That is the only comment I have to make upon that feature of the resolution.

I should like to draw the attention of the minister to clause 17 which reads:

> That this proposed Act shall not apply to feeding stuff sold to a manufacturer for the purpose of cleaning or mixing.

That particular clause will allow western elevators to sell, as they have been selling, all kinds of rubbish and weed seeds and escape the penalty. I should like the minister to say whether my understanding of the clause is correct.

Mr. TOLMIE: The tags referred to by the hon. gentleman will not involve a great deal of cost and they will afford the purchaser a good deal of valuable information as to the exact contents of the feed. When the stuff is sold in loose lots not contained in sacks all that will be necessary will be to place the label on the bin, indicating the exact contents so that the farmer may be fully apprised of the nature of his purchase. Clause 17 permits any farmer to purchase a carload of these feedstuffs and have it ground under his own supervision, and he knows exactly what he is getting under those conditions.

Mr. ROBB: But the miller is also permitted to grind the stuff.

Mr. TOLMIE: The miller will be caught by our inspectors the moment he offers the stuff for sale. In many cases we purpose to have inspectors on the ground visiting the mills from time to time to supervise the mixing and preparation of feed, both at the point of origin and at the point of distribution.

Mr. ROBB: That is quite correct. But why are you going to penalize the miller for buying and grinding these noxious weeds when you do not penalize the elevator man who first sells them?

Mr. TOLMIE: He sells to the miller, but we do not step in until the miller proposes to sell the stuff for feed. We make analyses from time to time in order to see that these feeds do not exceed in quantity the limit of weed seeds, etc.

Mr. ROBB: The minister has not yet convinced me that there is not a select class who will not come under the operation of the Bill and who will not be penalized for selling noxious seeds. I submit that there is no basis of equity upon which the minister can allow the grain elevator or cleaning house with impunity to sell these dirty, noxious seeds, and place the penalty upon the second person who handles it.

Mr. TOLMIE: I think it is desirable that the miller or the manufacturer, as he might be called, should have the right to purchase these screenings in bulk so that he may dispose of them in any possible way he sees fit so long as he acts in compliance with the law. In accordance with the Bill, he may extract those portions suitable for making feeds; he may take another portion suitable for sheep feeds, or what used to be called some time ago, seed screenings; or he may export those parts of the screenings that are not suitable for feed. He should certainly have these privileges, and as everything will be done under inspection, the moment he tries to make any misrepresentations he is not only liable to penalty but may have his license cancelled.

Mr. WILSON (Saskatoon): While I appreciate the purpose of the resolution, I think there are some phases of it that will be almost impracticable in actual operation. There is no doubt that there has been a good deal of abuse in foisting upon unsuspecting purchasers feeds that could not, when properly tested, come up to the standard advertised. I notice in clause 2 that every bag or container shall have affixed to it a tag giving the specific amount of every ingredient contained in the feed. That is to say, if there is 10 per cent of weeds, 25 per cent of oats, etc., you will have to state the different percentages that go to make up the 100 per cent. That is easily enough arrived at. But the last paragraph of the clause says that there must be an analysis, guaranteed by the manufacturer, which shall show the percentage of protein fat and fibre. Now, that is one impracticable feature of the resolution; from the standpoint of one who is some-

what interested in milling and who has had a number of years experience in the business. A large milling company will be able to comply with this requirement, but after all there are only a few large milling companies in Canada as compared with the number of small mills. To carry out this provision a milling concern would require to have a laboratory and a chemist in order to be able to make the proper test to ascertain the percentage of protein fat of every sack; and I think it will be almost impossible for the small mills in the country to retain a chemist to make a test of every sack of wheat put out. The large mills have their laboratories and chemists and this requirement will not impose any hardship on them; but it seems to me that if you insist on this clause you will drive the feed business from the small concerns—and after all it is of the greatest benefit to the farmer to be able to obtain feed close to his farm—and place the business in the hands of the large mills. That is one objection which strikes me and I wish the minister would consider this representation.

Mr. TOLMIE: With regard to the labelling, the tag can be placed right on the bag except in the case of commercial feeding stuffs. I understand that these mills do not put up feeding stuffs so much as they turn out bran, shorts and chop feeds, and this section will not interfere with that work. We have classified these materials as commercial feeding stuffs and chop feeds, two distinct kinds of feed; and I think that if the hon. gentleman will read the resolution carefully he will see that this provision refers to commercial feeding stuffs.

Mr. CRERAR: I commend the purpose of this Bill, for I think it is necessary to have regulations such as are provided in the measure we are considering. I do not think that the point raised by my hon. friend (Mr. Robb) is well taken. If we survey the history of the sale of screenings, concerning which there has been considerable discussion in the House for the last two or three sessions, we find that until a few years ago almost all of the elevator screenings from the head of the Lakes were marketed in the United States at prices varying in my recollection from $6 to $15 a ton. I am speaking of the period up to 1916. Those screenings, of course, were the general run of screenings at the elevators and the mills in question and were composed of weed seeds of different varieties, broken grains, buckwheat and similar stuff. There was no market in Canada for the reason that we did not have mills or manufacturing plants that were buying this stuff and which had the necessary machinery to make the separations, but in the United States there were large companies that specialized in this class of business, and consequently all these refuse screenings from these elevators and mills found their market in the United States, where they were put through as many as half a dozen separations, the various seeds and grains in the stuff separated and sold independently of each other. I recall quite well that a number of years ago there was a corner of mustard seed in the Minneapolis market, and that corner was largely broken by the mustard seeds extracted from screenings shipped from Canada to Duluth and other points.

The Bill, as I understand it, will throw on the mill or the factory buying these screenings the onus of making these different separations and extracting from the stuff the part that is useful for feeding purposes, and when they have done that they will have to display clearly the ingredients or feeding content of the stuff they are selling. That is not any hardship on the mill or manufacturer who is buying. After all, the essential thing aimed at in this Bill is that the purchaser of feedstuffs, no matter where he is located in this country, shall know what he is buying and shall be protected, as he has a perfect right to be, in that regard. We have had a very considerable increase in the use of these screenings in Canada since 1917. At that time there was a serious shortage of feed in Canada, and there was an urgent war need for production, particularly of hogs and cattle. The Government of the day, wisely, I think, put an embargo on the exportation of these screenings, at the same time compelling the elevators at the head of the Lakes to make the separation that would make them suitable for feeding stuff. That analysis of separation was agreed upon by the officials of the Department of Agriculture, and the Board of Grain Commissioners were entrusted with the responsibility of seeing that the screenings were cleaned up to the standard. At the time the order in question was made the price was fixed for these screenings at $35 a ton that is, for what was termed the recleaned screenings, but at that time so scarce was feed in the United States that they could be sold on the Duluth market for $42 a ton, and the embargo was

put on simply to keep in the country for the use of Canadian farmers what was valuable in this feeding stuff. I think the purpose of the Bill is entirely worthy, although when we come to consider it clause by clause it might be improved in some respects. I wish again to commend the minister for introducing this legislation.

Mr. KAY: I am in entire sympathy with the purpose of this legislation and I must congratulate the minister on having wrested it from the designs of the President of the Privy Council. I am very much disappointed, however, to find that the minister intends to allow the use of screenings, which my hon. friend the leader of the Progressive party, the hon. member for Marquette, has just been discussing. I am very strongly of the opinion that these screenings should not be allowed to be mixed in any way with commercial feed of any kind. It is well known that the vitality of these noxious weeds cannot be entirely destroyed and the farmers in the East are unconsciously polluting their farms with these very bad weeds to the great detriment of agriculture. It is perhaps true that there is a certain amount of feed value in some of the weeds, but it is also true that some of them are poisonous and have killed many head of young livestock. I would urge upon the minister very seriously the advisability of prohibiting the inclusion of any of these screenings in commercial feeding stuffs. If there is a market in the United States for these screenings, by all means let them be exported to that country. With this one criticism I think the Bill is a very good one, and I trust the minister will be successful in passing it. We will be able to consider it more in detail when we are in committee on the Bill.

Mr. SUTHERLAND: I am very pleased to find that the Act regulating commercial feeding stuffs will come under the control of the Department of Agriculture. For many years past this Bill has been, first, under the Department of Inland Revenue, then under the Department of Trade and Commerce, and next under the Department of Health. I think every one will agree, however, that a law of this nature should be under the Department of Agriculture, which has quite a number of well-trained men who are familiar with and competent to deal with questions regarding commercial feeding stuffs. Some hon. members may recollect that at the last session of Parliament we succeeded in putting on the statute books a Bill which endeavoured to regulate some of these feeding stuffs, particularly bran and shorts. I am a little surprised to find that in the various Bills that have been introduced this session dealing with these matters the legislation of last session has entirely faded away. It has gradually disappeared without anybody taking any particular notice of it, and I believe that to-day it is absolutely destroyed as to its intentions.

I am disappointed in the present Bill. I believe that it will result in a continuance of the conditions that exist at the present time, which enable the mixing of what ought to be pure commercial feeding stuffs with the offal screenings that accumulate at mills and elevators. There is undoubtedly an immense quantity of these screenings accumulating, and a very large proportion of them should be destroyed at those points and never be permitted to pass out of the control of the Grain Board. Neglect of this in the past has resulted in untold damage to agriculture in this country.

I was a little surprised at the remarks of the hon. member for Marquette (Mr. Crerar) in alluding to the conditions that existed in 1917 when an embargo was placed on the exportation of screenings to the United States. I am a little surprised that such an ardent free trader as he is would favour an embargo on anything that we produce in this country, particularly a commodity of this nature. The excuse has been made in Parliament on a number of occasions that very little damage was being done to the farmers of this country by reason of the fact that these screenings were being exported to the United States. It is well known that immense quantities were exported to the United States for many years and were fed at the stock-yards at Minneapolis and many other places to which immense numbers of sheep were shipped from the ranges to be fed in the yards at those points on these screenings. Consequently these noxious weed seeds were not distributed throughout this country. But we have to-day professional mixers of commercial feeding stuffs utilizing these screenings, and there are companies placing stuff on the market to-day that should never be permitted to reach the farms or feeders of live stock of this country. I have no doubt that some of the provisions that will be found in the Bill will take care of some of these companies. I would be much better satisfied, however if the Bill was a little more clear and definite than this resolution, and did not leave so much to regulations to be made by the minister. I can see no reason why bran and shorts particularly

should be mixed with anything else. I am satisfied that if the Bill embodies the clauses of the resolution as set out here, it will result in its being almost impossible to purchase bran and shorts in their pure state. You will find that this legislation will be used to bolster up other mixtures and enable them to be sold on the market. I believe the Bill contemplates the mixing of bran and shorts rather than to ensure their purity. The farmers of this country can do all the mixing, if they desire a mixture.

As far as chop feeds are concerned, those are very easy to regulate. I was somewhat surprised to hear the minister state in answer to the hon. member from Huntingdon (Mr. Robb) that the millers should be in a position to purchase these screenings. It is well known that the standard stock feed to which the hon. member for Marquette alluded was due to the desire of placing on the market a standard stock feed from those screenings, and it was contemplated at the outset that the stuff would be ground fine to destroy the vitality of the enormous proportion of noxious weeds contained in it. This thing has been played with to such an extent that one is inclined to look for the joker in legislation dealing with commercial feeding stuffs, and there was certainly a joker in the Order in Council of December, 1917, dealing with commercial feeding stuffs. After specifying that the mill-feed should be pure this clause was enacted. It is not a Bill; it is an Order in Council of December, 1917, and it reads as follows:

> The presence of presumably vital weed seeds in any form of feeding stuff shall be held to constitute adulteration under the Act, when more than twenty-five seeds per pound, as enumerated in the Seed Control Act, 1911, are present in the feed.

This Section 17 permits twenty-five vital weed seeds but Parliament, under the Seed Control Act, has provided for what are termed noxious weeds; consequently all the vital, non-noxious weed seeds that millers see fit to put in may be put in. There is as well no limit to the quantity of devitalized seeds they may put into their feed stuff. This is what took place when the hon. member for Marquette (Mr. Crerar) was Minister of Agriculture, and it has resulted, I venture to say in more trouble and dissatisfaction among the agriculturists of this country in regard to feed stuffs than anything that has happened during many years. The prices which were received for screenings before the war according to the evidence of the general manager of the United Grain Growers which we have, were not the high prices which have been alluded to by the hon. member for Marquette. The average price paid for three years previous to the war was $4.91 and for the last six years the price was $8.84 per ton. This was after the Government placed an embargo on the export of screenings. The report which I read from the Dominion analyst at the last session in regard to bran and shorts was convincing evidence—I think it convinced this House and it certainly convinced the members of the committee on agriculture—that something was necessary to control the operations of the millers. Their contention was that it was perfectly legitimate for them to adulterate by reason of the legislation and the Orders in Council which have been passed. When they were up for examination on this question they said: "If it is so necessary and advisable to exclude these weed seeds, why does not Parliament take action in the matter?" Yet we have the Act of last year attempting to deal with this matter by standard and the other provisions of the Adulteration Act have been taken care of in two Bills which have been introduced by the hon. the Minister of Health (Mr. Rowell). The resolution before us this afternoon does not contain the provision which I think it should.

Just a word or two in regard to the regulations which may be enacted by the minister if the Bill to be introduced should go through in the form of the resolution. The resolution provides that the minister shall have power

> To appoint an advisory board which may at his request define for his guidance and recommend regulations that may be established under the proposed Act.

In referring to that to-day he stated there should be some elasticity to the Bill in order to allow the department to make such changes as might be deemed advisable. I am not sure but that there may be some force in that argument but I think it is advisable, in so far as it is possible to do so, to define in the Bill exactly what we want done in regard to matters of this kind because by the appointment of boards of that kind you are not going to bring about the desired result. I believe that the minister, with the expert assistance of the heads of his department, should be in a position to define what should be necessary and to propose legislation along that line in the Bill rather than that he should appoint boards

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or commissions of an advisory nature. You cannot shelve the responsibility. It must eventually rest upon the minister and his assistants in the department and I believe that in so far as it is possible the provisions of this legislation should be clearly defined in the Bill to be introduced. I have looked over the resolutions with a good deal of care and I am satisfied that you will find that under the definition of "commercial feeding stuff" the resolution contemplates a mixture of bran and shorts by those who secure the right to mix or adulterate. There is no provision to ensure the purity of bran and shorts. They are absolutely pure when the wheat is milled and when these commodities are turned out from the mill. Nothing can get into them unless there is an intention to do so on the part of the miller. The wheat is made as clean as it is possible to make it, before milling but the millers offer the excuse of saying: "We purchase this wheat and as there is a certain amount of weeds seed in it, we are justified in disposing of it in this way." We all know that wheat is graded and that a certain amount of dockage is allowed for dirt. If the miller has an accumulation of these screenings on hand, let him dispose of it as screenings, do not let him mix it with his mill feed as has been done in the past. I want to again emphasize the importance of making some provision for rescuing the Bill introduced last session to insure the purity of the commodities to which I have referred, and I would call the attention of the minister to the matter.

Mr. DECHENE: The minister is certainly doing his best to promote the interests of the farming community, and we must congratulate him. But at the same time it appears to me that the power contained in this resolution to make regulations and change them at any time the minister pleases is too wide a power to confer on him. It would also be difficult for the manufacturers of commercial feeding stuffs to keep themselves posted if changes are frequently made.

But what I want to especially refer to is section 4 (a):

> That the minister may refuse to register any commercial feeding stuff under a name or brand which in the opinion of the minister would tend to mislead or deceive with respect to the materials of which it is composed, or when the statement of the contents is in the opinion of the minister incomplete or misleading. The Minister may also refuse to register more than one commercial feeding stuff under the same name or brand.

This gives the minister discretion to register more than one commercial feeding stuff under the same brand or name, and I would suggest that the section should be changed by substituting "shall" for "may," so that he will have no option but to refuse to register more than one commercial feeding stuff under the same name or brand.

Section 11 provides:

> That any officer or person charged with the enforcement of this proposed Act shall have access to any elevator, warehouse or other premises where grains or other constituents of feeding stuffs are blended, or supposed to be blended, for the manufacture of feeding stuffs, and any premises or receptacles containing or supposed to contain feeding stuff, wherever they may be located, and may take any samples from any receptacle on payment of the value of such samples.

That allows any officer to enter premises where feeding stuffs are kept by a farmer for his own private purposes, and I think this power should be restricted.

Then by section 12 it is provided that the minister shall have power:

> (b) to make regulations prescribing the maximum amount of whole or ground weed seeds and other substances which may be allowed in any grain or other ingredients used for the manufacture of feeding stuffs, without affecting the right to describe it as clean within the meaning of the proposed Act;

The first section of this resolution gives an interpretation of "Commercial Feeding Stuff," "Chop Feed" and "Feeding Stuff"; but by section 12 (b) a certain quantity of whole or ground weed seeds and other substances may be allowed to enter into the grain or other ingredients used for the manufacture of feeding stuffs without affecting the right to describe it as "clean" within the meaning of the proposed Act. Those two provisions, it seems to me, are contradictory. A farmer or consumer buying commercial feeding stuff, chop feed, or feeding stuff will, under the first definition, assume that he is buying commodities that do not contain weed seed and other substances. If we are going to stand by the first definition I think section 12 (b) should be deleted.

Section 13 in effect incorporates a similar section contained in the Commercial Feeding Stuffs Bill which was introduced by the President of the Privy Council (Mr. Rowell) early in the session and subsequently withdrawn. This penalizes the storekeeper or dealer selling feeding stuffs which on analysis are found not to comply with the requirements of the Act unless he is able to prove that such feeding stuffs have not been tampered with while in his possession. But it is conceivable that in many cases

it would be very difficult for the storekeeper to furnish the requisite proof, and it seems to me that the manufacturer should be sued in the first instance, as otherwise the storekeeper will not be able to rely on the manufacturer's certificate attached to the feeding stuffs purchased by him and will be liable to prosecution for what is really an infringement of the Act by the manufacturer himself. I think the section should be amended so as to make the manufacturer liable in the first instance.

Mr. TOLMIE: We have marketed in this country about 150,000 tons of screenings annually. While containing some grains which are useless for feed and injurious to livestock—and these constitute only a small proportion to the whole—a great deal of the screenings as originally turned out make very excellent feed. In experiments conducted at our experimental farms it has been proved that recleaned screenings are often more valuable as a feeding stuff than bran. Any hon. members who have been in the livestock business and have had to pay the extremely high prices for feed that have prevailed during the past few years will agree that every pound of feeding stuff that we can possibly secure is required in this country, and that if we are to put Canada's agriculture on a sound foundation we should use every pound of it for the feeding of stock rather than for export.

It is proposed by regulation to limit the impurities in bran to one per cent. Bran is usually worth more than the commercial feeding stuffs. It is necessary to have these regulations, as I have pointed out, on account of the changes that may occur from time to time. We had an illustration of that during the war, when the percentage of flour extraction from wheat was extended some seven or eight per cent, with a consequent immediate effect on the bran turned out from wheat milled in that way. The resolution says that the minister "may" appoint a board to consult with him in the preparing of these regulations. That board would probably consist of millers, farmers and consumers—representatives of those interested in the trade generally—the members of which would be called together in order that the benefit of their advice might be obtained. The idea is not to shift any responsibility from the minister or any of his officers to that board; the minister would still be responsible, of course, for any legislation carried out in connection therewith.

With regard to the suggestion that there would be an interference with the farmer on his premises in connection with the making or grinding of feeding stuffs, I may say that we do not interfere with him at all until such time as he proposes to sell the material. There has to be a certain amount of elasticity in regulations with regard to impurities in grain, because pure grain is something that does not exist. Any grain taken from the field contains a greater or less percentage of impurities. The matter of the payments of costs by the retailer has been very carefully thought out; that course was adopted in order to avoid collusion between the retailer and the manufacturer. As to the identification of any lot of feed arriving in bulk at a station, there should be no very great difficulty about that because we could have access to the bills of lading and could trace the car by its number.

Mr. KAY: I have listened attentively to the minister but have heard him make no explanation with regard to weed seeds whose vitality could not be destroyed in grinding. Does he not consider that an important aspect of the matter?

Mr. TOLMIE: Section 7 of the resolution provides:

> That no grain, screenings or any other ingredient which contains in excess of the quantity allowed by regulation, any seeds, damaged grain or other material designated by regulation of the minister as injurious to the health of livestock or poultry, shall be used as a constituent of any feeding stuffs.

The presence of a small quantity of that seed cannot be controlled, and it is proposed that every sack shall be marked so that a man shall know exactly what he is buying. If all the farms to which this feeding stuff goes were now in absolutely clean condition I could admit the force of the argument, but they certainly are not. In fact, it is very unusual to see an absolutely clean farm; they are all more or less weedy, I am sorry to say.

Mr. KAY: Is that not all the more reason why they should have no more weeds?

Mr. TOLMIE: It would hardly do, for the sake of keeping out a few weeds, to get rid of 150,000 tons of feeding stuff which can be used with very excellent results in the improvement of our livestock and in the consequent building up of the wealth of the country. By providing proper safeguards in the matter I do not think that any farmer will suffer very severely.

Mr. SUTHERLAND: I am sorry that the minister has made no reference to the possibility of the adulteration of mill feeds. He

states that it is the intention to provide that not more than one per cent of adulteration shall be permitted in bran and shorts. The interpretation clause of the resolution defines, "commercial feeding stuff," "chopped feed" and "feeding stuff." Now, bran and shorts undoubtedly come under the head of feeding stuff. You will note that the following is section 8 of the resolution:

> That no feeding stuff shall be sold, or offered, exposed or held for sale, which contains any vital weed seeds in excess of the quantity allowed by regulation.

That would imply that provided the vitality of the seeds is destroyed you can put an unlimited quantity of them into the feeding stuff, and that is the very interpretation that the millers have been making of the regulations that have been in force for several years. The following is section 12, (b) of the resolution:

> The minister shall have power,—
> (b) to make regulations prescribing the maximum amount of whole or ground weed seeds and other substances which may be allowed in any grain or other ingredients used for the manufacture of feeding stuffs, without affecting the right to describe it as clean within the meaning of the proposed Act;

"Used for the manufacture of feeding stuffs," which implies that the two articles of feeding stuffs to which I have referred are not complete until they go through another manufacturing process at the hands of the miller. So far as the 150,000 tons of weed seeds that are accumulating at the elevators are concerned, it would be worth millions of dollars to this country if every ounce of it was destroyed at the elevators rather than sent broadcast throughout the country. Thousands of animals have died as the result of the adulteration of feeding stuffs in the past, to say nothing of the untold loss that has otherwise resulted through the failure to obtain satisfactory results in the feeding of stock. The live-stock industry is the one upon which agriculture in the main depends. It is well known that the grain production per acre has been gradually falling off in every province, and we must realize where we shall arrive if the present practice is continued. The grain companies of the West may find it desirable to dispose of these screenings in this way. But there is no reason why any of these small seeds should reach the elevator; they could very well be separated from the grain on the farm. If they are sent to the elevator the farmer has to pay freight on them and he is docked for them when they arrive there, those who are handling the grain retaining up to three per cent of the dockage and are thereby reaping an immense profit. If anything in excess of three per cent is found in the grain it is disposed of for the farmer, but he is charged for the bringing of that stuff to the elevator. It is a very simple process to put a screen in the separator which will take out all the small seeds; that is done in Ontario and, I have no doubt, in many other provinces as well. If some contagious disease were brought into this country and it was found that the spread of the disease would be of advantage to some one, do you think that its disposition to that end, with the attendant risk of spreading the disease, would be countenanced by those in authority looking after the health of the people? I am disappointed to find a member of the Government or, indeed, any hon. member advocating that we must take care of this dirt that has accumulated at elevators in this way on account of bad farming. As regards the commercial feeding stuffs that have been disposed of since 1917, the evidence in the Department of Agriculture shows conclusively that the people who manufacture these feeding stuffs have not lived up to the regulations passed in regard to them, but have flagrantly violated them. This is borne out by answers to questions which I placed on the Order Paper this year, in those answers, it was shown that enormous quantities of this stuff was still being ground into mill feed. With regard to that matter I have here a report made by an analyst in the seed branch last session when this matter was under discussion. It states that:

> In 19 samples of "recleaned" screenings received at the laboratory on July 1, the average number of mustards per ounce is 201.

Two hundred and one mustard seeds per ounce in this standard stock feed which the hon. member for Marquette (Mr. Crerar) lauds so highly and the Minister of Agriculture (Mr. Tolmie) refers to as being such a valuable asset in building up agriculture in this country. It is little wonder that we have the condition of affairs that exists; to-day of farmers moving into the towns and cities, and that we find the fields growing up with a crop of weeds that were unknown ten years ago. Is Parliament going to pass legislation which permits a condition of that kind to continue? The minister should take immediate steps to see that all these black seeds are taken out of the screenings at the elevators and destroyed.

It is true that there is in the screenings a great deal of small wheat and other grains, such as wild buckwheat, that have actual feeding value and these could be taken out, but the great bulk of the black seeds could be taken out on the farms at the time of threshing. The thresher, if the season is a bad one and there is a heavy crop of weeds, threshing by the bushel, the more dirt he has in grain the more he is going to get for his work. That is one of the causes of this deleterious material being left in the grain. This should be brought home to the people who are responsible for this condition of affairs, namely, the farmers who grow the stuff. Steps should be taken to see that this stuff is taken out of the grain before the grain is sent to the elevator at all, and in that way the millers will not have the temptation to mix this stuff with their commercial feeding stuffs as has been the case in the past. I do not like to speak in this way with regard to this matter, but the fact is that this has been going on and getting worse from year to year until to-day in Ontario, in which about 40 per cent of the livestock of the country is raised, progressive dairymen, during the lactation period, although bran and shorts are undoubtedly the most valuable feeding stuff that the dairyman can get for his cows, avoid feeding bran and shorts as they would the most deadly poison, because for years past they have been losing annually large numbers of their cows for some unaccountable reason, and they have reached the conclusion that this loss is due to the immense quantity of this stuff that is in the mill feed.

Special emphasis is laid on noxious weeds, and one of the most poisonous seeds that we have is what is known as worm seed mustard not classed as noxious. The evidence in the department shows conclusively that many complaints have been received from farmers who have lost large numbers of young pigs through feeding this stuff. I referred to this last year and it is not necessary that I should go over it again. The same report says:

> Of 32 samples of shorts, the records show 27 containing poisonous weed seeds, and 5 with unground seeds of noxious weeds. In the case of bran, 19 out of 28 samples show poison seeds, and 8 have noxious weeds.

The report of the Dominion Analyst, Dr. McGill, for 1919, states in regard to this matter:

> Bran is adulterated by mixing with oat hulls and all sorts of rubbish. Shorts, in many cases, is simply bran reground so as to make it fine.

[Mr. Sutherland.]

I am going to trespass on the patience of the committee for a moment or two in order to refer to some of the analyses made by Dr. McGill as shown in Bulletin No. 412 for 1918. An inspector in the Vancouver district states that in a sample of mill feed of which the Lake of the Woods Milling Company were the vendors, there were 8,608 lamb's quarters and 48 black bindweed in a single pound. Can hon. members realize that any miller, particularly one of the largest milling companies, the Lake of the Woods Milling Company, would dare to put such stuff on the market and endeavour to sell it as what is known in this resolution as commercial feeding stuffs? That is the worst instance I see in this report, although such adulteration is quite common. Another sample showed 1008 lamb's quarters, and I could go on all down the line quoting similar instances. In a sample of mill feed sold by the Quaker Oats Company of Saskatoon, there were 16 wild oats, 192 black bindweed, 1,344 lamb's quarters in a single pound. That is the sort of stuff that is being sent broadcast throughout the country. We have been assured from year to year that the Government were going to take steps to deal with this evil; but instead of that being done, I am satisfied, from the resolution that has been introduced this afternoon, we are going to perpetuate this evil in even worse form than in the past. The millers may make mild protests against having to fix tags to bags containing this commodity when it is placed on the market. I venture to state that the millers have already been consulted in this matter and that they will be prominent on any such committee as has been referred to by the minister in order to see that their interests are taken care of, because it is well known that the farmers have not taken steps along that line in the past. Hon. members who from what is known as the Farmers' group, or who appropriate that name to themselves in this House, instead of condemning the practice that has been going on in the past virtually countenance it and make excuses for the condition which existed when their leader (Mr. Crerar) was Minister of Agriculture.

We are entitled to some assurance from the minister that something more than granting power to make regulations will be contained in this Bill. I have absolute confidence that if some of the men who are in the Department of Agriculture are given a free hand, they will be able to deal with this matter most effectively. They have the evidence of what is going on, and the fact

that 150,000 tons of screenings annually accumulate at the elevators is going to be a loss to the country if it is not disposed of, is as poor an excuse as could be advanced. If this stuff can be disposed of in the United States, then, for Heaven's sake, let us see that every pound of it goes there; otherwise, let us see that it is recleaned; that only the grain in it that is of any use is kept, and that the noxious weed seeds are entirely eliminated from it and destroyed. I do not believe it is possible to eliminate the noxious weed seeds entirely, because the commercial feeding stuffs that have been placed on the market during the last two years have contained at least 10 per cent of wild coats and this stuff has been shipped throughout the country with the result that wild oats are now a growing crop in the backyards of everybody who is feeding fowl or anything like that on a small scale. The consequence is that this stuff is scattered broadcast throughout the country. I have but mildly expressed my feelings in regard to this matter. I must again express my disappointment over what has happened with regard to the Bill of last session. Bill after Bill has been introduced in the House here, and finally the one with regard to commercial feeding stuffs was withdrawn and the legislation now comes under the Department of Agriculture, where it rightly belongs. I am heartily in accord with that, and I have advocated it for many years. When the minister takes the stand that the farmers of this country are so badly in need of this stuff as feed, I think he loses sight of the injury that it does. So far as the province of Ontario is concerned, where the value of the produce of livestock for a single year amounted to $369,111,000, the farmers, I am sure, will not feel that their interests have been taken care of if we are going to have a continuance of such a condition as we have had in the past. It is well know that to-day many farmers have not a hog on their farms who in the past raised hogs in large numbers. The same thing applies with regard to dairy stock. Many of the farmers are going out of that branch of farming, and it is in no small measure because of the unsatisfactory results from feeding commercial feeding stuffs and the mixtures that are being sold to-day. You can scarcely pick up an agricultural paper without seeing advertisements of commercial feeding stuffs on the market. The farmer as a rule is pretty well aware of what it is profitable to feed to his stock, and it is not necessary for some one to tell them what foods have the right amount of protein in them. The bran you find on the market to-day is so scoured that it is necessary to add some ground mustard seeds in order that it may increase its protein. It is by the addition of ground mustard seeds that they bring it up to the standard, one of the reasons why these people who are putting this stuff up are anxious to have this condition of affairs continue is to enable them to increase their profits.

Mr. TOLMIE: For the information of the hon. member from South Oxford I might say that what is known as the Sutherland amendment to the Adulteration Act is still in force, that is, with regard to bran and middlings. If what the hon. member said was true, that the 150,000 tons of screenings gathered at the head of the Lakes was all dirt, I would say: Send it to the United States if they want it. But it is not all dirt. Considerably more than 50 per cent of it is good feed material, consisting of broken wheat, oats, barley, buckwheat, flax and other material having a high feed value. As I pointed out before, it has been shown by experiments carried on at the experimental farm to have a greater feed value than bran. In addition to that, I know as President of the Western Canada Live Stock Union for two years prior to 1917? that farmers were clamouring for this feed from one end of Canada to the other. They wanted it all over the country, and under all conditions, recognizing its feed value.

Mr. SUTHERLAND: They do not want it to-day.

Mr. TOLMIE: With regard to the criticism of the Department of Agriculture with reference to the administration of the previous Acts, they were not under the Department of Agriculture, but we are now trying to make an improvement and bring this matter under this department. With reference to the hon. member's statement that there were 201 mustard seeds in an ounce of feed, that is less than 1 per cent. No. 3 Northern Wheat very often contains 2½ per cent, so right here by the proposed regulations we intend to make we shall have a most decided improvement in the quality of our bran.

There has been a slight implication that we propose to favour the miller. I have not been long enough in politics to favour anybody, and just as long as I have the honour to occupy this position I shall deliver the goods straight and to the very best of my ability, favouring nobody. The suggestion that so many men are going out

of the hog and dairy business because of the sale of screenings is not well founded. Every one who is familiar with the hog business to-day knows that the present market conditions are very complicated; that our price in this country is set by the price and the demand in Great Britain, that there is a large accumulation of American bacon still on the British market, that there is a large amount of American bacon purchased in the United States and which still remains there, that the British are making every possible effort to get rid of this bacon which they have on hand before purchasing much bacon from Canada. The high price of grain has been very largely the cause of men going out of the hog business, for the reason that at present prices it is only just possible to turn out bacon at practically a little more than cost, so the inducements are not very great. A great many people have gone out of the dairy business principally because of the scarcity of help and the high cost of feed. If people in the country kept cows of good quality that would return a profit they would make money at present prices, but unfortunately a good many of them still stick to the old-fashioned dairy cow yielding from 4,000 to 5,000 pounds of milk a year, and a man who milks a cow of that kind twice a day and feeds her on high priced feed will find that at the end of the year he has been farming in a circle and has not got anywhere.

The hon. member has been good enough to refer to the staff of the Department of Agriculture, who are thoroughly posted in all matters relating to feed. Over ten careful consultations have been held by the staff, and the present Bill is the result of those consultations. We have gone into the matter very thoroughly indeed, and have at last arrived at something that we think will render very valuable service to the farmer and place him in a position to buy what he wants and pay for what he actually gets, and not for something that he does not get. We hope that the Bill will render very valuable service to the dairying industry and also to the hog industry of Canada.

Mr. J. E. SINCLAIR: Will the board to which the minister refers be paid or serve in an honorary capacity?

Mr. TOLMIE: Under the proposed legislation the minister may or may not form this board. If appointed, it would not be a salaried board, but they would have their actual expenses paid.

[Mr. Tolmie.]

Mr. J. F. REID: I am sorry I was not in the House all the time the hon. member for South Oxford was speaking. I agree that these noxious weed seeds should not be allowed in either bran or shorts, but I am afraid my hon. friend would give the country the impression that all these noxious weed seeds come from the western provinces. I want to tell my hon. friend from South Oxford that my first experience with noxious weed seeds in the West was with seeds from Ontario, and I have not got rid of them yet, and I suppose I never shall. I want my hon. friend to understand that the province of Ontario supplied the western provinces with the first batch of noxious weeds, and it is now coming home to my hon. friend.

Resolution reported and concurred in.

Hon. Mr. Tolmie thereupon moved for leave to introduce Bill No. 165, to regulate the sale and inspection of commercial feeding stuffs, bran, shorts, middlings and chopped feeds.

Motion agreed to and Bill read the first time.

## CUSTOMS TARIFF ACT, 1907, AMENDMENT.

On motion of Sir Henry Drayton (Minister of Finance) Bill No. 156, to amend the Customs Tariff Act, 1907, was read the second time and the House went into committee thereon, Mr. Boivin in the Chair.

On section 3—duties reduced.

Mr. MACKENZIE KING: What is this section?

Sir HENRY DRAYTON: This is the 7½ per cent abolition clause.

Bill reported.

Mr. SPEAKER: When shall the Bill be read the third time?

Sir HENRY DRAYTON: Now.

Mr. MACKENZIE KING: Does the minister think it imperative that the Bill be read the third time now?

Sir HENRY DRAYTON: Not if my hon. friend desires to have the third reading postponed. I have no desire to press the third reading if there is any objection.

Mr. MACKENZIE KING: I do not imagine that any exception will be taken to the third reading, but the attendance is rather thin this afternoon and I think the third reading might stand.

Sir HENRY DRAYTON: Very well.

DIRECTOR OF COAL OPERATIONS.

Hon. Arthur Meighen (Minister of the Interior) moved the second reading of Bill No. 153 (from the Senate) respecting the Director of Coal Operations.

Hon. W. L. MACKENZIE KING (Leader of the Opposition): This Bill comes from the Senate?

Mr. MEIGHEN: Yes.

Mr. MACKENZIE KING: Will the minister kindly explain the nature of it? Copies of the Bill have not been distributed.

Mr. MEIGHEN: The Bill, which is printed in English and French, is very simple. It maintains the effect of the Orders in Council that provided for the control of coal operations in district 18, under Mr. Armstrong. The Orders in Council are all referred to in the Bill, which confirms them and continues their effect in force until the end of the next session of Parliament.

Hon. RODOLPHE LEMIEUX (Maisonneuve): From what I can gather, having followed the discussion the other day in the other Chamber, this Bill will render more secure the operations in the coal mines in the West. By virtue of the Orders in Council those operations were made easier and the threatened coal famine has been avoided, and it is considered, therefore, that this arrangement ought to be continued in view of the many strikes which are impending in the neighbouring part of the American Republic. I understand that there is a gentleman, a Mr. Armstrong, who has been appointed and given certain powers as regards employment of men and that under his direction the operations have been fairly steady and have given satisfaction. I take some interest in this matter. Two years ago I made a motion concerning coal operations. During the summer our people do not think about what may happen in the fall or winter, and I believe we lack any adequate comprehension of the danger with which we are always threatened in having before us a very cold winter. Two years ago, when I made that motion, I thought that the Government ought to take all necessary measures in due time in order to maintain as far as possible the production of coal in those western mines so as to give the settlers and others out there the proportion of coal which must be distributed to every family. I am always nervous at the beginning of winter when I read in the newspapers that there are strikes here and there and that there is not the proportion of coal which should be distributed in those far-away districts. There is no timber available for fuel purposes and therefore anything the Government can do to promote the operation of the mines in due season ought to be encouraged. I followed the discussion of the Bill the other day, and I approve of this measure.

Mr. MACKENZIE KING: Would the minister give an explanation of the Bill?

Mr. MEIGHEN: I really could not give as good an explanation as that which has been given by my hon. friend from Maisonneuve (Mr. Lemieux). I might say, however, that Mr. Armstrong has been the director of coal operations, and, by virtue, of an Order in Council, has been, in effect, the arbitrator between the coal operators and the men for the past two or three years. He has established a measure of confidence on both sides. I cannot say that the confidence is complete on either side, because I know both sides have complained, but nevertheless he has established a measure of confidence that makes him the best choice we know of for the work. If there is nobody to intervene then what the hon. member for Maisonneuve predicts is very likely to arise. Coal miners in that district are perhaps the most disposed of any of their class in this Dominion to have differences with the proprietors of the mines, and I would apprehend that we would very soon be in the position he describes unless some provision were made for a continuation of the control for a short time at least.

Mr. CURRIE: If I understand the matter correctly, the result of these Orders in Council is that the miners throughout a large section of the West persist in obtaining very large pay for the coal that is mined, and that the Government has been kind enough to pay them a certain amount for every day that they are idle. In this way these men have taken us by the throat. Is that policy still to be continued? Are the miners to work only an hour a day and get $2, or $2.50, or $1.50 from the Government for being idle the remainder of the day? Are no steps being taken to bring about a condition whereby the mines can operate during the off season and have
4 p.m. the coal stored? It must be apparent to the House that one of the difficulties in the way of getting this coal out for the western settlers is that of financing it. Could not the Government assist in financing coal operations in such a way that during the season when coal is not needed it will be mined and stored at

various points? If the owners of the coal mines dig that coal during the season when there is no demand for it they will have to finance it in order to carry it. The coal miner is not able to continue operations, to ship coal during the spring and summer when it is not needed, unload it at the different stations and bear the carrying charges. That is too heavy a burden for him to undertake. We will never have conditions right in this country until some method is adopted whereby there will be a large storage of coal continuously through the summer and winter. The province of Ontario is in a condition now that makes this need very apparent. We cannot tell at what minute we are going to be entirely out of coal and yet the burden of storing and carrying coal is too heavy for private individuals. With coal at a high price, it is a highly speculative operation to store coal unless you know what you are going to get for it when the winter season opens.

Mr. LEMIEUX: In Montreal the big industrial concerns are experiencing a coal famine. The Gas Company—

Mr. CURRIE: So is the Gas Company in Toronto.

Mr. LEMIEUX: —is suffering from a coal famine. The gas distributed last week had a peculiar stench which, it was explained, was due to the quality of coal they had on hand. Why should this country be threatened in that way? We have the coal in the East and in the West and we must provide the means to operate these coal mines and be more independent of other countries. Why should we not?

Mr. CURRIE: I agree entirely with what the hon. member says. There is no reason why it should not be done. Now is the time to begin shipping Nova Scotia coal to Montreal. The Government has built a great many ships and some of them might be employed in this work. It is far more important that coal should be carried to Toronto and Montreal than that it should be sent to Italy because our industries will suffer unless this is done. The same condition exists in the West. The farmers cannot tell when they are going to get coal. The coal miner sits down and does nothing all summer when he should be digging coal. Everybody wants his coal at the same time. The condition is very serious in Ontario at the present time. The United States coal mine operators and the railways are determined that we shall not get any coal. They are going to starve us into giving them free pulp and they are apparently adopting that underhand method for the purpose of doing it. If we are going to carry on business in this country I do not see anything else for this Government to do than to make a start by putting ships on to carry coal from our own coal mines in the Maritime Provinces to Montreal, Toronto and the West. Every ship load of coal that goes forward will help to break the embargo of the American coal owners against Canada because after all Canada is the best market for hard coal that the miners of Pennsylvania have. We take the bulk of their hard coal. They do not sell any hard coal west of their mines. It is all soft coal that is sold in Chicago and the West. But if you do begin using soft coal in Canada you have some piker get up in a council and say that you must not do so because it will blacken the wash on the clothes line of some woman in the outskirts of the city. It is up to the Government to see that we get an adequate supply for next year and one of the ways to do that is to see that the mining of coal is carried on continuously. The Government might finance the miners in order to enable them to continue operations during the period when coal is not in demand so that the coal could be stored at different points throughout the country to be delivered to the people when required. This is a very serious matter. Many industries in Western Ontario will have to be shut down. Gas companies have been mentioned by my hon. friend from Maisonneuve. The gas company in the city of Toronto has not two weeks' supply of coal ahead. Efforts have been made to bring about a condition whereby large quantities of coal might be stored in Toronto. There was a proposition some months ago that coking plants should be established by the principal cities to supply the fuel required when hard coal could not be had. But if you ever propose anything of that kind in Ontario or elsewhere, there is always somebody to get up and start raising a row about it—I do not know why.

The fact remains that unless we get coal in Ontario at an early date most of our industries that depend upon coal for heating purposes will have to close down and I believe the same condition confronts the West. I would like the Minister of the Interior (Mr. Meighen) to tell the House how much money it cost us to bonus the coal miners in the West last year while they did no work. Such a condition of things cannot be allowed to recur in this country. Coal is one of our great key industries, and the Government should take control of the situation. There is no reason why our

western coal should not be brought as far east as Port Arthur; our railways do not encourage this traffic simply because they prefer to haul coal to Winnipeg as return freight to fill their empty westbound cars.

This is the time for the Government to state whether they are going to see that Ontario is not starved for coal next winter. The lumber men—the timber wolves—have taken away all our timber, and to-day cordwood is twice as dear as coal wherever there is any supply, which is strictly limited. As a result the people in our towns and villages are suffering very seriously. But to aggravate this serious condition the Railway Commission some time ago passed a regulation by the operation of which the little towns and villages that are not on a competitive line of railway have to pay $8 a car more for their coal than do other places which are more fortunately situated. I brought this matter to the attention of the House last year, but nothing has been done by way of remedy.

This is the most serious question that confronts us at the present moment, and unless something is done there is no doubt that all our factories west of Montreal will have to shut down, and farmers and others will have to burn their furniture this winter to keep warm. It is up to the Government to see that some steps are taken to relieve the situation. Why should we have men idle all the summer long and be paying them when they ought to be at work? They ought to be getting out coal during the summer months. Formerly the coal produced in the summer used to be brought to Quebec and Montreal by boat, but that condition no longer obtains, and now we have to use American coal as far east as Quebec. Something must be done by the Government to free us from the domination of the coal barons of America, and it seems to me our mercantile marine could be put to no better use than in bringing in cargoes of coal from Nova Scotia to help make us independent of the American supply.

Mr. DEVLIN: Mr. Speaker—

Mr. BURNHAM: A few months ago I brought this whole matter before the House—

Mr. SPEAKER: Order. Mr. Devlin has the floor.

Mr. E. B. DEVLIN (Wright): While listening to the last speaker (Mr. Currie) I could not help remembering that for some years we (on this side of the House) were advocating the building of a canal which would have brought coal right down to the point sought by my hon. friend, and that that transportation would have been far cheaper than by rail. I am sorry that my hon. friend did not see fit at the time to support our efforts to have that canal constructed.

Mr. CURRIE: Which canal?

Mr. DEVLIN: The Georgian Bay canal.

Mr. CURRIE: How would it get coal to Toronto?

Mr. DEVLIN: Right straight from the Great Lakes.

Mr. CURRIE: You need to go and study your geography. There is no coal along the Georgian Bay canal.

Mr. DEVLIN: I am not saying that there is coal along the Georgian Bay canal. What I do say is that it would have helped to solve the problem by providing cheaper transportation from the Great Lakes because it would lessen the rail haul. Otherwise, Mr. Speaker, I am glad—

Mr. SPEAKER: I would remind hon. members that the debate before the House is the principle involved in a Bill which has for its object the ratification of certain Orders in Council in reference to the appointment of a director of coal operations. I am sure the House will agree that the Chair has not endeavoured to restrict the debate in any degree, but I think it would be rather unfortunate if we allowed it to be further widened to take in the Georgian Bay canal, and perhaps the hon. member will try to speak to the Bill before the House.

Mr. DEVLIN: I assure you, Mr. Speaker, that I had no intention of discussing the Georgian Bay canal. I was simply giving expression to a thought that arose while listening to my hon. friend (Mr. Currie). I rose to say that I believed that the officials who have had to deal with the coal situation have done their very best to have Canada supplied with as much coal from the outside as was possible. I conceive that this is a question on which we can find common ground, for coal enters into the necessities of life, and I would like to support my hon. friend the Minister of the Interior (Mr. Meighen) in all his endeavours to get the West supplied with coal. Personally I would like to see our western coal come farther east and our Nova Scotia coal go farther west so as to make the commodity as cheap as possible for our people.

In looking over the coal statistics I was somewhat surprised to find that we have 111,169 square miles of coal areas, comprising 8,845,900,000 tons of semi-anthracite coal, 313,573,000,000 tons of bituminous coal, 932,053,000,000 tons of sub-bituminous coal, and 111,286,000,000 tons of lignite. In other words, we have within Canada all the coal necessary to prevent a shortage of fuel among our people, and the point to be emphasized is that it is one of our natural resources that should be developed to the fullest extent. Therefore, while supporting my hon. friend (Mr. Meighen) in his endeavours to get coal to the West, I do hope that the Government in its plans for the immediate future will see to the development of our coal resources to their fullest extent, in order that Canada may be independent of the United States in the matter of fuel.

Mr. J. H. BURNHAM (West Peterborough): Mr. Speaker, a couple of months ago I brought this question before the House by way of resolution, and on investigating the matter I was immensely surprised to find that, notwithstanding the fact that Ontario was in a most perilous position in regard to its coal supply, nobody had seen fit to investigate the cost of bringing coal into Ontario either from the West or from the East.

When I made some inquiries at headquarters I found that they knew nothing about it. Then I proceeded to carry my examination further, and at last I found out from the Canadian Pacific Railway Company that so far as they were concerned it would cost about $12 a ton to bring a car, say, from Calgary to Toronto. However, they said they could not say that if a very large business was developed it would not cost less. In any event, this fuel question has to be solved for Ontario. As stated by the hon. member who has just spoken we have immense supplies of coal, both east and west, yet here we are in Ontario on the very brink of perishing from lack of coal. The matter is extremely serious for Ontario. The people feel very keenly indeed about it; they are continually asking us why we do not do something with regard to it. We have the coal, but apparently we have not the brains to get it here.

Some time ago, in a resolution which I introduced with regard to the cost of the necessaries of life, I used the word "desperate." That did not please the Minister of the Interior (Mr. Meighen) and he moved an amendment to the resolution. I accepted the amendment and the resolution was carried, and we were to wait for revelations with regard to it. Now, in that resolution the fuel question was involved, and I think, with all due respect to the minister and his great administrative powers, that he ought to take up this question of the solution of the difficulty for Ontario, because Ontario—we cannot repeat it too often—is in a most serious position. Wood is altogether out of the question. In fact I was so discouraged with regard to coal that I began to turn to the alcohol question to see what could be done about that. No doubt in a few years we shall have alcohol as a fuel. The people of Ontario have been groping in the dark, as it were, to find out some means of furnishing themselves with heat and motive power throughout the year, chiefly in the winter, but they have not got anywhere. It would not be too much to say that some special legislation will have to be enacted or some special effort made to provide the people with fuel, because they have to have it. It is absurd, when you think of the vast stores of coal that we have in Canada, that we cannot do better than we have been doing. Lately the Research Council has found out that briquettes, which are about fifty per cent coal, and twenty-five per cent petroleum and so on, furnish something of higher efficiency than even anthracite coal. If so, why can they not have that industry developed? I have had letters from a great many people in the West, from coal users and coal companies, asking why it is that these things cannot be looked into and the development of the coal industry proceeded with. If the West concludes that it is possible, and the East wants it, it is about time that we proceeded to get it. Certainly something will have to be done.

Mr. W. D. COWAN (Regina): I would like to ask the Minister of the Interior (Hon. Mr. Meighen) if he can give us any information with regard to the opening up and development of what is known as the Sheep's Creek Mine located in District No. 18 with which he is now dealing? As I understand it, the Pat Burns Company, with headquarters at Calgary, have had a lease of this mine for a great many years—a mine, which it is said, contains millions of tons of the very finest anthracite coal that can be obtained anywhere in the world. They have been building a railway in connection with this mine, I understand, by a slow process for a number of years back, and we in the West have been looking forward to the opening up of this mine, because through the production of that coal we would meet the aristocratic tastes—and we have very aristo-

cratic tastes in Canada when it comes to what we use—of Ontario and the West so far as anthracite coal is concerned. I would therefore like to know what is being done. If this company have a lease of this mine and are not making such progress as is necessary in the interests of the people, then a little pressure should be brought to bear upon them at this particular time with a view to having them get to work and get that mine opened up. So far as the cost of carrying coal to Eastern Canada from the West is concerned, if we have the grade of coal out there that the East requires it would be much more profitable for us to carry that coal to the East on our National railways, even at a low rate, than to pay that $47,000,000 deficit by means of luxury taxes and otherwise. We would thereby be keeping these railways busy and avoiding in the future such deficits as we have in the past, and at the same time we would be uniting Canada in such a way as it has never been united before.

Mr. R. J. MANION (Fort William and Rainy River): Mr. Speaker, I wish to say a word on behalf of the people from my section of Ontario to support the remarks of other hon. gentlemen from different parts of that province who have spoken on the coal situation.

During the past few weeks I have received a number of communications dealing with this question. It certainly is evident that the people of the western end of Ontario are going to find themselves in a serious condition this winter with regard to coal if some solution of this problem is not arrived at. I know that the Government have been dealing with the matter because I took it up unofficially with some of its members, who told me that they were looking into it. I feel quite sure that it has not been neglected, but I would like to impress upon the other members of the Government the very great importance of this question. It seems almost a tragedy that a country such as this, as the hon. member for Wright (Mr. Devlin) has pointed out possessing the second greatest deposits of coal in the world—taking second place only to the United States—should be dependent on outside countries for our coal. Ontario, being in the centre of the country, has to get coal either from the Pennsylvania fields, or from the far West, near the home of my hon. friend from Regina (Mr. Cowan), or from the Nova Scotia coal fields. It seems to me that it would be a very popular act and a very wise one if some scheme could be worked out whereby coal could be brought to the eastern parts of Ontario from the Nova Scotia fields, and to the western parts, my own parts of Ontario, from the western fields. This question is linked up with the development of the natural resources of the country, a matter which I brought up in this House on three or four different occasions,—the development of our iron, coal and oil supplies. As the hon. member for Regina has pointed out, it would help relieve the deficit on operation of our National railways if we could devise some means of utilizing our coal deposits. I simply desire to impress upon the House and upon the Government the gravity of the situation which faces Ontario in particular in regard to the securing of coal for the coming winter.

Mr. J. A. ROBB (Chateauguay-Huntingdon): Mr. Speaker, before the Minister of the Interior (Hon. Mr. Meighen) answers the inquiries that have been made, I should like to direct his attention to certain facts that were brought out during the last session in an investigation that was made in the Senate. The minister will remember that an old gentleman from California claimed to have secured very large areas of excellent coal fields in Alberta. For reasons which the minister will understand, the lease was cancelled and was subsequently taken up by one or two others, and I understand that afterwards that lease also was cancelled. I gathered from conversation with this man from California, who showed me all his plans—I knew nothing about them more than what he told me—that he was quite willing to surrender to the nation any rights that he had, provided he was refunded the amount he had spent in exploring these coal areas. If his statement is correct, there are in Alberta millions of tons of excellent coal that might be used to the advantage of the nation. I do not know whether the minister is in a position to make any statement in regard to the matter at this time; I am not pressing him to do so. But if he is in a position to make a statement, I think it would be well that the country should know just what rights Canada has in connection with that large coal area in Alberta, and whether it can be developed for the benefit of the Canadian people.

Mr. M. R. BLAKE (Winnipeg North): Mr. Speaker, I should like to say a few words in regard to the coal situation, as it is a matter in which every one in Canada is deeply interested. Hon. members who

have spoken in regard to the quantity of coal that exists in the western provinces, and in particular, Alberta, may not be aware that much of this coal will not stand long shipping, nor long exposure, without crumbling into dust. This coal may be stored in good cool cellars and when it will give reasonable satisfaction, but much of it is of inferior quality. Some of the coal in southern Manitoba—and there is only a small coal area in the southwestern portion of the province—contains 35 per cent of moisture. Further West the percentage of moisture is less, and the quality of the coal rises accordingly. I understand that a briquette-making plant is now in operation in southern Saskatchewan, which plant by compressing the soft coal derived from some of the soft coal mines, produces a coal of a higher heat value than the best anthracite coal.

I am informed that the coal in the Smoky river area which caused a great deal of discussion in the House last year, has a higher heating value and is equal to any anthracite coal, and the Government would be well advised to see that those coal areas are transferred to the Canadian National railways, as they would then become a national asset. This is the only really valuable coal field accessible to the National railways which has not yet been given to some private enterprise. By constructing a railroad about 65 miles long, connection could be made between the Canadian National railways and the Smoky river area, and as the coal starts in at the side of a hill, this would be probably one of the cheapest mining propositions that we have in this country at present. I hope the Government will use every endeavour to get the briquetting plant under way and enlarge it to the extent found necessary, thus solving our hard coal problem.

If, as the hon. member for Regina (Mr. Cowan) has said, a branch line of about 60 miles long will open up an anthracite area in the vicinity of Calgary, that matter should be given attention. The trouble is that most of the soft coal of Alberta will not stand shipping; it cannot be shipped for weeks and left in cars, say at the head of the Lakes, and then shipped by boat, without going to pieces and crumbling into dust.

The Minister of Railways (Mr. J. D. Reid) might also give attention to the matter of having a more reasonable rate of freight on coal from Alberta to Winnipeg and the rest of the West during the summer season when railway cars are lying idle on sidings. The big rush from the West is when the grain crop is coming out and we have to depend on anthracite coal to a large extent, because the railways carry wheat to the head of the Lakes and carry back coal. The railways have had a gold mine in hauling wheat east and hauling back coal from the head of the Lakes. If it be possible for a railway to pay by hauling goods one way and empty cars back, there are plenty of empty cars in the summer time and the railroads would be well employed if they would make a bid for bringing coal East in the summer season. If the Canadian National railways were to do this, the deficit on our railways might be greatly reduced. These are three matters that might well be taken into consideration by the Government with great benefit to the nation at large.

Mr. JAMES R. WILSON (Saskatoon): Mr. Speaker, I wish to make a few observations in regard to this matter. I do not think there is anything that the people of both East and West are to-day more interested in than the development of our coal resources. The object of developing our coal resources is two-fold: First, to keep our money at home, purchasing our own materials and supplying our men with work, and second to create traffic for our railways which at the present time, show a balance on the wrong side owing to lack of traffic.

As the hon. member for Winnipeg North (Mr. Blake) has stated, there is in Western Canada a great deal of coal that will not stand storing during the summer season. Some hon. members have suggested it will, but that is not possible because spontaneous combustion might occur. But we have hard coal, and I regret to say that up to the present time only one deposit of hard coal, known as Banff coal, has been worked, and this has been worked by the Canadian Pacific only to a very limited extent. Our experience in the West has been that while we could get a supply of this Banff coal, we did not look for Pennsylvania coal. But during the past four or five years it has been impossible to secure a supply of this Banff coal, because the Canadian Pacific Company have been producing from that particular mine only sufficient to supply their needs. There are two other known deposits, one of which has been referred to as the Smoky River deposit, and the other is the Sheep Creek deposit. The Smoky River deposit is located about 70 or 75 miles from the line of the Canadian National railways, and it is estimated that it would

cost about $1,500,000 or $2,000,000 to connect that mine with the railway. I understand that that deposit belongs to the Government, as last year the mining right was cancelled. The other deposit, which is owned by Messrs. P. Burns and Company, is located to the southwest of Calgary in the foothills of the Rocky mountains and is about 60 miles from a railway. Mr. Burns has been making every effort to construct a branch line of railway to his mine, a distance of about 60 miles at the nearest point. I think he has gone even so far as to apply for a charter, but he has found it difficult to finance the construction of that railway.

I wish merely to bring these matters to the attention of the Government. By tapping one of these fields of hard coal the Minister of Railways or the Government could do a great deal towards putting the Canadian National railways on a paying basis, especially if it were possible to fix a rate whereby that coal could be transported to the Prairie Provinces and to Ontario so that it might displace Pennsylvania coal.

As regards coal mines in Western Canada, the coal of which is of a semi-bituminous nature and which will store, the operators are most anxious to mine this coal and the dealers are anxious to store it. They have been asking that, during the summer months, June, July and possibly early in August when there is very little traffic originating on the prairies, the railway companies should make the concession of reducing the freight rates say $1 a ton in order, in a measure, to offset the cost of carrying this coal in storage until it is required. I understand the matter came before the Railway Commission and this concession was refused. If the Government could do anything along this line, the storing of coal during the summer months would be encouraged.

Sir SAM HUGHES: For a number of years I have given considerable attention to the development of the coal industry in the West, and I have long since arrived at the conclusion that we can bring coal from the Rocky Mountains and land it at Liverpool and compete with English coal, especially at present prices. My policy would be to have a line, one already constructed or to be erected, controlled by the Government, from Crow's Nest Pass, another from the Kicking Horse Pass, another from the Brazeau coal deposits, another from the Yellowhead Pass, and another from the Smoky River district, traversing the country to the East. The coal industry is a most important one; it is of vital importance to our people. Last winter, in two towns that I happened to be in in the West the people were cutting green poplar bushes to keep themselves in heat till they could get coal delivered to them, and when the coal was delivered they could only get a carload at a time to the large towns. From the eastern part of the Northwest region one of the three great transcontinental roads might be utilized. It should be chosen for practically a coal road. It should have a low grade, very powerful engines, and the cars should be constructed with roller bearings and should haul from 60 to 80 tons each. It would be quite feasible for one of these engines to haul across the continent from 6,000 to 7,000 tons of coal, which could be brought to Ontario and the far East. Similar plans should be made to develop the coal areas in the East, and it should be done on a systematic basis. I have had a good deal of experience of the coal mines in the West. The only anthracite coal I came across in the West was at Anthracite, referred to by my hon. friend from Saskatoon. The other kind of coal is termed semi-anthracite. Pat Burns' coal, which I have had analyzed, is semi-anthracite, so is the Crow's Nest coal, the Brazeau coal, and the Yellowhead Pass coal. So far as my experience of the coal from the Grande Prairie and Smoky River districts is concerned, it also is semi-anthracite, but of a very high grade. It would answer all the purposes of bituminous coal and would certainly make a very good heating coal, because we know that people all over the British Isles use soft coal for fuel, and we can do it here just as well. I give that just as an outline of a proper Government policy with regard to coal. First, it would develop the coal industry for the people in the great Northwest and keep the people there supplied with coal; secondly, it would enable us to get the coal down East and distribute it through Ontario and Quebec. The Maritime Provinces could be trusted to look after themselves, and to ship their coal as far West as they could. I would not have this run as a Government controlled institution entirely. I would have it controlled by the Government, but I would also give the owners of private mines the opportunity to have their coal hauled over the Government roads at the same rates, in order to bring about competition and keep down the prices, even from the Government. I would suggest that the utmost freedom be given to private owners

to ship their coal over these lines at the same rate as the Government coal. I will not say any more on this matter at the present time. I have given my views in public on more than one occasion. I am satisfied that the day is not far distant when the Government will see the necessity of initiating some such policy to develop the industries of the great Northwest.

Mr. MEIGHEN: I am afraid the debate has travelled beyond the limits that I had come prepared to expect. There have been some phases of it, however, that have pertained directly to the Bill and I propose to refer to these first. The Bill provides merely for the retention of the powers of Mr. Armstrong until the end of the next session of the House. I can well recall that troubles in this coal district back over three or four years were about the most frequent and regular of the many difficulties that the Government of the day were confronted with from time to time. Just when things would seem to be going right for a few brief days, the news would come of another strike in district No. 18.

I do not know definitely what the hon. member for Simcoe (Mr. Currie) has in mind in reference to the Government paying men for being idle. There was never anything of that kind done even in the darkest days. I think he must have in mind an occasion some years ago, which can be more fully explained in committee by the hon. member for Elgin (Hon. Mr. Crothers), who at that time was Minister of Labour, when the situation in district No. 18 was pretty near the limits of tragedy, when homes in the West were without coal, a strike was on, and winter was approaching and indeed was upon them. There was a danger so immediate that anything we are confronted with to-day is small in comparison with it. The Minister of Labour of that day, the Hon. Mr. Crothers, went to the district, and after very difficult negotiations he made some arrangement by which the amount in dispute between the men and the operators, or a part of the amount, the extra wages that were claimed for the time they had worked, were for the time being advanced by the Government. The operators, including the Canadian Pacific, which I think was one of the largest, undertook to recompense the Government as time went on at a certain rate per man per day, or on some such basis, and the ultimate result was that the treasury came out nearly square, the money being refunded. I do not know what else can be referred to. Certainly we have never at any time put a premium on idleness, nor have we felt it was our duty in any way to put a bounty in the hands of the coal operators of this district. We have simply sought, and sought with very great success, considering what had to be gone through, by the interposition of Mr. Armstrong to bring together the operators and the men, to keep the mines going and the men working, in order that there might be the maximum production of coal. That has been the one aim, and that aim we have for the most part reached. The other phases of the discussion have no direct connection with the merits of the Bill, but, nevertheless, are of paramount importance to the country.

Mr. CURRIE: There was no agreement to give the men any money in case of idleness?

Mr. MEIGHEN: No. It is argued that we in Ontario and Quebec to-day are in a serious condition as respects the coal supply in the immediate future. That has been true to too great a degree, but I do not know that the circumstances to-day are of such immediate and dire peril as might be inferred from the remarks of some hon. gentlemen. We are not likely to freeze for want of coal in the first half of the month of June, not, at all events, in Ontario and Quebec. Nevertheless, bituminous coal is a vital necessity to the industries of this country even in summertime. A committee of the Government has had the matter in hand. I am not a member of the committee myself, but the minister whom I represent in this discussion, the Hon. Mr. Robertson, is a member. The Minister of Railways is also a member of that committee, and from him particulars as to the work of that committee may be given in committee. I may say though, after speaking with the Minister of Labour only lately, that he stated the situation had of recent days been much relieved, and that very considerable shipments of coal had been made and were forthcoming. His own mind seemed to be much more at ease than it had for some weeks on this subject.

References have been made to the duty of the Government to adopt some policy—the outlines of policies that have been given, I am afraid, are rather vague—that will make available for the people of Ontario and Quebec, the coal of Western Canada and of Eastern Canada. It has been urged that we might finance the operators of Alberta in order that there might be

storage of coal from idle seasons that would carry us through the busy seasons. It is also urged that we might bring pressure on the railways to reduce the rates and thereby make the coal available to the more populated centres of Ontario. Referring to the latter phase first, I do not pretend to be in any way an expert on railway rates; but I am confident that this opinion is sound: that there is not very much room for reduction by any amount however small in railway rates in regard to any staple article at the present time. I do not think it is more than the truth to say that there are articles of transport—and coal may be one of them—the more of which the railways carry the less money they make; or rather, I should say, the more money they lose, and that applies to the Canadian National Railways just as much as, if not more than, it applies to the Canadian Pacific Railway. It is in the interest of the railway company just as directly as it is in our interest that they do not have cars travelling empty, and their efforts are designed to see that that condition does not occur, if by any reduction of rates, or by any other means they can profitably have the cars when travelling filled to capacity. The fact of the matter is that it costs more money to bring coal from those fields here than it cost to bring it from other sources. That is the great economic fact. It, of course, does not cost so much more now as it did when coal was much lower in price.

The next fact, which is an important one—indeed, the first statement means nothing except as the second is borne in mind—is that the coal that is nearest at hand is of a quality that cannot be transported, and that which is further away is subject more and more to the freight obstacle which I have defined. Now, those two circumstances together, the quality of the coal and the great distance, have made the economic transport to date impossible, and except by mere payments out of the treasury the Government cannot overcome this basic economic fact. There is coal of semi-anthracite and high bituminous quality in Alberta in almost unlimited quantity, at any rate, unlimited so far as is concerned the needs of Canada for some centuries to come. But to have the coal there and to have it here are two very different things. It is just because it is there and not here that the great difficulty arises; and the size of the market, the volume of consumption within the railway area is so small that the scale of production is kept down and consequently prices are kept up. The contracted market is the great factor in keeping down the scale of production and therefore keeping narrow the area of consumption. If we had ten times the number of people in Western Canada than we have, then western coal would economically reach much further east than it does to-day, because production would be on such a scale that, being cheaper, the coal could go further and further from the point of origin.

As to financing the operators, I really do not know that there is anything I could say upon that subject, but I would be rather inclined to think that the trouble was not a matter of finance. I know that the Canadian Pacific Railway are large operators in Alberta and they do not need very much help in the way of financing. I am sure that if there is any way by which they can keep mines going the year round and thereby have on hand through the slack season a supply for the busy season they are quite able to finance the operations. Probably there may be others to whom help may be necessary, but so far as I know there has been no application in that respect. Consequently it seems to me likely that this is not one of the fundamental difficulties. The difficulty is rather a question of cheap production and cheap transport. It is true, as the hon. member for Huntingdon (Mr. Robb) says, that there is an immense deposit of semi-anthracite coal in the Smoky River region. I cannot recall the number of millions of tons, but it is very high, and it is sufficient to supply all imaginable needs for very many years. But the coal is in the Smoky River district and there are not very many people near the Smoky river, nor, indeed, within many hundred miles of the Smoky river, while there are all kinds of coal mines with large sums of capital invested in them everywhere outside of that district. It is therefore quite easy for the imagination to run riot in relation to a very valuable deposit situate in the Smoky river. Mr. Hoppe and another gentleman, whose name I do not remember, obtained a lease in the regular way some time in the year 1915 or 1916. The terms of the lease were not lived up to by Mr. Hoppe and his partner and it was cancelled by the Department of the Interior in the year 1918, I think, while I was in charge of the department. The cancellation, as should always be the case, came within the purview of the minister, but the granting of leases is made under the regulations, and there is no specific

reference to the minister in any single instance unless special circumstances make that course necessary. These lands, under the regulations, were subsequently granted, without reference to the minister, to a Mr. Barnard and, I think, Colonel Shillington, although I think the lease was in the name of Mr. Barnard alone. An investigation took place in the Senate following an appeal by the lessees asking for a charter to build a railway into the Smoky River district, and that investigation showed, or at all events it indicated pretty clearly to me, that those associated with Mr. Barnard had obtained certain advantages to which they had no right in the way of advance information and as a result had obtained the lease. It was clear from the evidence —and I believe the committee so reported— that Mr. Barnard himself had no knowledge of this advance information one way or the other and that his conduct in relation to the lease was honourable in every way. However, by reason of that investigation I felt it my duty by special Order in Council to cancel that lease also. It was cancelled and that coal area reverted to the Crown and all the acreage included in that lease, and many other acres—I do not recall the number—surrounding that particular area have since that time been specially reserved, not having been opened up for entry. What I have in contemplation is the reservation of that area until it can be economically used by the Canadian National railways. All that one can say yet is that it has been reserved and especially set aside and that no one now can enter upon it. The Smoky river is situate south of Grand Prairie and north of Park Gate, Grand Prairie being on the McArthur line running into the Peace River district and Park Gate being at the junction of the Grand Trunk Pacific and the Canadian National railways. The Smoky River deposit is situated about half way between these two points—Grand Prairie and Park Gate. I think that ultimately there will be a road necessary to join these two points bringing the agricultural products of the Peace river down to the Smoky River district, joining the Canadian National railway at Park Gate and thence to the Pacific seaboard. There are many who say that this is the natural outlet for the products of that territory both mineral and agricultural. But as yet we have not been able to see our way to authorize an investment to enable the Canadian National Railways to build that line. It will necessarily be a most expensive piece of construction and I do not know if at the present time the coal freight traffic alone will be sufficient to warrant the tremendous capital investment necessary. Whether the joint agricultural and coal traffic will warrant it, it will take some one better informed than I am to pronounce upon it. But as yet we have not seen our way to authorize the immediate construction of that line of railway.

I think the hon. member for Huntingdon (Mr. Robb) had a question in his mind as to whether the original lessees of the deposit were fairly treated. The lease was cancelled for the reason that they were in default. They did not comply with the terms of the lease in that they did not pay the rental when it was due and consequently the right of cancellation was in the department. The department in no way went beyond its right in cancelling the lease. It is true that information reached the department that the holders of the lease were assuming an attitude antagonistic to this country in its war effort and on that account a more strict adherence to the terms of the lease might have been justified but it is sufficient for our purpose to know that the cancellation of the lease was strictly within the powers of the department and that it followed a failure on the part of the lessees to pay the rental for a considerable length of time.

5 p.m.

As to the second lease, it was cancelled for the reason that I have given. The lessees contended, and are contending today vigorously, that the cancellation was illegal, but we cannot accept their legal claim on that ground. I think I have said all that is necessary with regard to the Smoky River lease and the prospects of obtaining coal from that source.

It has been alleged that sufficient progress is not being made in the utilization of the lignite deposits of Saskatchewan and Alberta. Hon. members have stated that the lignite in these deposits must first be carbonized and briquetted before they can be made available for use. I may say that they are not quite accurate in their statements as to the composition of the briquettes. The commission that was formed by my predecessor as Minister of Mines to go into the question of briquetting the lignite and to develop a commercial process if possible, have gone so far as to be assured that the carbonization—that is to say, to give a brief definition, the elimination of the volatile matter, is a practical fact and in their opinion can be carried out on a commercial basis. They have gone far enough

to discover the binders which are required to hold the carbonized lignite together. They have discovered three such elements, and the binder which they suggest is a consolidation of the whole three. Twice as much of this article is required for the briquetting of western lignite as is required for the briquetting of German lignite. That is the impediment in the way of the commercialization of the briquetting system but it is not deemed to be an insuperable impediment. It transpired that further difficulties were in the way. The commission was capitalized jointly by the Dominion Government and the Governments of Alberta and Saskatchewan, the Dominion Government furnishing one half of the capital, or $200,000, and the Governments of Alberta and Saskatchewan each one quarter, or $100,000 each. On the basis of construction costs that obtained in 1917 when the commission was appointed that would have been sufficient to have enabled them to construct their plant. Costs have advanced fifty per cent and a little more; consequently they will require $600,000. They have sent a memorandum to me accordingly and I am in communication with the Governments of Saskatchewan and Alberta with a view to their co-operation with us in the same proportion as before in order to provide the necessary additional funds. It is the purpose of the commission, and indeed they have already, I believe, called for tenders, to erect a plant to try out on a large scale the briquetting process in the Estevan district in the province of Saskatchewan. Very considerable progress has indeed been made. It is altogether outside of the mark to say that this subject has in any degree been wanting attention at the hands of the department. It has received the most assiduous attention and of such a nature that very material progress has been made. It is one thing to say "Get a thing done" but it is another thing to be sure that the steps you are taking are scientifically accurate and commercially sound. We believe the progress we have made along the line of the utilization of the western output of lignite coal has been most encouraging. I believe I have covered, at least in as much detail as I have at my command, the various points raised by the hon. gentleman.

I should have made reference to the hon. member for Regina (Mr. Cowan) and the inquiry he has made as to certain deposits of coal operated by Mr. Burns in the foothills of the Rockies. I have no recent information on this subject and what I say is the outcome of an incident that occurred many months ago but I am pretty sure it is right. I believe Mr. Burns' deposits are not deposits that he obained under the leasing regulations of the present Government. Hon. gentlemen are aware that in 1914 the coal disposition policy of the country was changed. From that date on we no longer gave grants of mineral rights; we gave leases only, and leases upon terms of development and rental and royalty—not always royalty, but usually so. I believe Mr. Burns' deposits at the point referred to were secured under the former practice, and consequently there is no contractual obligation on his part with the Government in regard to development. I do not want hon. members to get the idea that Mr. Burns is withholding development, for I have no reason to think he is. On the contrary, I am inclined to believe the hon. member for Saskatoon is right and that Mr. Burns is doing everything in his power to secure an income on his investment. But so far as we are concerned I do not think his holdings are leasehold, and consequently we would have no jurisdiction to compel him to develop them.

Mr. CURRIE: Did Mr. Burns ask for assistance to build those roads?

Mr. MEIGHEN: I am informed by the Minister of Railways that he has not asked for any. I would not be so bold as to say that he would not accept it.

Motion agreed to and Bill read the second time.

On motion of Hon. Mr. Meighen the House then went into Committee of the Whole to consider the Bill.—Mr. Boivin in the Chair.

On section 1—Ratification of Orders in Council respecting Director of Coal Operations, etc.

Mr. MACKENZIE KING: It is gratifying to see the evidence of a dawning consciousness on the part of the Government as to what is owing to Parliament in respect to many matters that heretofore have been carried out by Orders in Council. As I read this section, it is simply to have Parliament authorize the continuance in office of the officer referred to, the Director of Coal Operations, instead of having that authority continued by Order in Council. So far, so good. There is, however, one line in this section which I think might be improved. The section as it stands now reads:

These Orders in Council are hereby ratified and confirmed and continued in force and effect until the end of the next session of Parliament:

I doubt the wisdom of apparently denying Parliament the right to make any change between now and the end of the next session.

Mr. MEIGHEN: It does not.

Mr. MACKENZIE KING: It does not actually, but I should think the section might so be worded as to be more in keeping with what is owing to Parliament. For instance, it might be changed to read:

—unless further amended or repealed by Parliament shall continue in force and effect until the end of the next session.

Mr. MEIGHEN: That goes without saying. Parliament is always supreme. If nothing is done in the meantime these powers, duties, and rights cease at the end of the next session. Of course, Parliament this session can amend this legislation, but it would be surplusage to say so.

Mr. MACKENZIE KING: I agree with the statement of the minister. But as the section stands it does seem to be restricting the wishes of Parliament.

Mr. McKENZIE: If anything should hinge upon the statement that these Orders in Council shall continue in effect to the end of the next session, would it not be a breach of faith on our part to afterwards make a change before the expiration of the time stated? Supposing a man invested capital in business in connection with the matters mentioned in these Orders in Council, he would rest upon the assurance declared here that nothing will be disturbed until the end of the next session of Parliament. In the event of our taking action before the expiration of the time stated, such a man, if his interests were prejudiced, would have the strongest possible argumen in pleading that after this declaration he had good reason to believe that nothing would be done to interfere with those Orders in Council.

Mr. MEIGHEN: I do not think any one would stake any money in business on the theory that these Orders in Council are stated to remain in effect until the end of the next session, come what may. He certainly would not do so if he first sought advice from a good Scotch lawyer like my hon. friend from Cape Breton (Mr. McKenzie). My hon. friend should read the last clause of the section:

Provided, however, that the Governor in Council shall have power to repeal and cancel all or any of the said Orders-in-Council if at any time he deems that the same are no longer required.

[Mr. Mackenzie King.]

That is necessary, for the Governor in Council could not repeal any of these orders unless power to do so was conferred by the legislation; but, of course, Parliament can take action at any time. However, here is specific notice to everybody that these Orders in Council will remain in effect unless cancelled by the Governor in Council or until Parliament sees fit to repeal or amend them. That is all any one has a right to rely on.

Mr. McKENZIE: Why then make the statement at all that those orders shall continue in force until the end of the next session of Parliament? I think the language is unusual, and I cannot recall such a statement ever appearing in our legislation before.

Mr. MEIGHEN: Oh yes, there are many instances, and I will give a few in a moment. Before I do so, however, let me deal with this other point. Some date has to be fixed for the termination of these orders or else they are in effect permanently, and that we do not want. These are not the initial legislation of Parliament, these are Orders in council, and they fail now by reason of the War Measures Act, but it is in the interests of all concerned that they should remain in effect for a time at all events, and then perhaps legislation will take their place. Returning to the point mentioned by my hon. friend, similar language was used in the case of the newsprint control. The Orders in Council that gave the Commissioner, Mr. Pringle, his powers were continued until a certain date which was fixed in the legislation; I am not sure, but I think it was stated as "the end of the next session of Parliament." Then also there are many statutes which empower the Governor in Council to make regulations, and where those regulations are of major importance it has been the practice to provide that they shall be laid on the table of the House within so many days after the House opens at the following session. Unless we confirm them in the meantime by resolution or by legislation, they die at the end of that session. That has been the case in several instances. This just follows the newsprint precedent and these others that have been the law. In the Interior Department there are certain regulations that can only be made with that term of life. All that we are asking here is that Parliament continue these orders until the end of the next session so that at the next session Parliament can exercise its will with relation to the whole subject.

Mr. MACKENZIE KING: I agree that it is desirable to set a definite date in this regard, but leaving it until the end of next session is leaving it to an indefinite date. It certainly does appear to imply that the Government has some reason for not wishing Parliament to take this matter up during the next session; otherwise I see no object in providing that the order shall be made until the end of the next session.

Mr. MEIGHEN: What does my hon. friend suggest?

Mr. MACKENZIE KING: I was about to suggest that it might be well to say "until the end of the present fiscal year." Whatever is necessary in the way of appropriation in this connection will be appropriated for the present fiscal year, and if it be desired to carry on this office beyond that time there will have to be an appropriation for another fiscal year. I should think that the substitution of the words "present fiscal year" for the words, "next session of Parliament" would be in every way advisable.

Mr. MEIGHEN: If the Bill were being introduced in the first instance here, I am not sure that I would not agree to the proposal. Of course, Parliament is sure to meet before the end of the fiscal year, and by hurrying the matter we could get through both Houses, perhaps, such Bill as Parliament might deem necessary then. But the Bill has passed the Senate, and I do not think it worth while altering it and sending it back to the Senate for that purpose. The difference is simply this: Here Parliament will have all next session to consider whether or not action should be taken. If we think no action should be taken and that we should revert back to the conditions which obtained prior to the war, we simply do not need to do anything; if we think action should be taken, then we have all the next session to take it in. If I accept my hon. friend's suggested amendment, it would mean that whatever action we did take we would have to take before the 31st of March. As all members know, the time of the session prior to that date is pretty much occupied with the debate on the Address and with other functions of Parliament that precede the enactment of concrete and specific legislation. If we adopted this suggestion we would very likely be only hurrying ourselves at the next session with no very great object in view.

Mr. MACKENZIE KING: I would like to say a word with regard to what the minister has said about the possibility of legislation not being much under way by the 31st of March next year. We on this side feel very strongly about the matter of granting the Government progress Estimates, so to speak—voting millions before the Estimates have been considered at all by the House. We met the Government this year and voted it two month's supply. I understand it is altogether probable that we shall be asked to vote another two months' supply in the course of the next day or so. We are getting away altogether from control by Parliament over public expenditures in permitting the Government to feel that it can bring on the session at any time in the year that best suits its convenience and then rush through legislation without giving ample opportunity for discussion of the Estimates. If I do not misinterpret the feeling of hon. gentlemen on this side, I may say that we shall not be as ready a year hence to make a concession of that kind to the Government should this Government be in office at the time. I might as well say that now as say it at some other time. Parliament ought to be called earlier; Parliament ought to be called before the Christmas holidays. The fiscal year was changed to end on the 31st of March so as to enable a few meetings of the House to be held before Christmas and the business of Parliament to be got well under way before the spring. If, as a result of the refusal of the Opposition to grant supply to the Government until opportunity has been had for the full and free discussion of these matters, business will be carried on in a more effective way and with greater control by Parliament over expenditures, we on this side will certainly take that position.

Now, the only objection that the minister has raised to the amendment I have suggested is that the Bill did not originate in this House and that it would have to go back to the other House for amendment. Well, that again is the fault of the Government in having the Minister of Labour in the Senate when he should be in this House. If there is one portfolio more than another that should be represented in the House of Commons it is the portfolio of Labour, and just because the Government have found it impossible to obtain a seat for the minister so that he might hold his position in this House is no reason why we should not exercise every precaution with a view to protecting the public interest that it is within our power to exercise. I do not see why we should give the Government

power under any Act to continue any office beyond the time for which appropriation for it will be voted by Parliament, even if we do so only by implication. If the minister is not prepared to accept the suggestion, I myself will move that we substitute for the words "session of Parliament," in line 15 of the Bill, the words, "present fiscal year." I think that the minister will see the reasonableness of the suggestion, and I hope that he will accept it.

Mr. MEIGHEN: I am not able to follow the hon. member. The fiscal year did end on the 30th June. In 1909 it was made to end on the 31st of March. The leader of the Opposition tells us that the change was made in order that Parliament would have some time before the fiscal year ended to conduct its work. One would think that Parliament would have had more time with the fiscal year ending 30th June than with the fiscal year ending 31st March.

Mr. MACKENZIE KING: My hon. friend is quite wrong in that. What I said was that the time was changed so as to enable Parliament to meet before the Christmas holidays and to get through a great deal of its business by the spring. That was the thought I had in mind. The change to 31st March was to enable Parliament to be called in the fall rather than in January or February and to get through with its business by the beginning of June.

Mr. MEIGHEN: There was nothing to hinder Parliament being called in the fall when the fiscal year ended in June. Anyway, it was changed in 1909, and on account of the very many other duties Parliament has to perform since the change was made, it has frequently been difficult to get the Estimates through before the end of the fiscal year. If the hon. member will look back to the years 1910 and 1911 I think he will see that the Government of which he was then a member had to ask for interim appropriations in those two years. Why, in one year the Budget was not delivered by his colleague (Mr. Fielding) until the 26th day of June. So that though hon. members opposite may intend to be very reluctant to grant us any Supply, they will not get very much encouragement for that attitude in the history of the two years that they laboured under the same difficulties that we labour under now. However, that has nothing to do with this point. This Bill merely asks that these orders stand until the end of next session so that when Parliament meets it may choose its own time to alter them—or to let them die; for that is what will happen if Parliament takes no action. What has the fiscal year to do with it? Nothing at all. The end of the session has to do with it because that is the end of Parliament's labours. Why should not Parliament have the whole of the session within which to decide? Why should we seek now to hurry Parliament? If we keep forcing Parliament to take up this Bill and that Bill near the first of the session, we will make it just that much more difficult to get to the Estimates, and we shall be so much more likely to have to ask for an interim appropriation. We should simply be putting difficulties in our own way. The Bill is logically worded now; there is no principle at stake at all. What is the difference? Why should Parliament not have next session to decide on its action?

Mr. MACKENZIE KING: The minister asks a question and I will answer it. The minister says: "What has the fiscal year to do with the matter?" It has everything to do with it unless we go on the assumption that Parliament has simply to carry out the will of the Government.

Mr. MEIGHEN: It has nothing to do with coal operations.

Mr. MACKENZIE KING: The Director of Coal Operations must have an appropriation from Parliament to carry on his work.

Mr. MEIGHEN: I do not think he has any appropriation. If he has it is very small.

Mr. MACKENZIE KING: The minister surely knows that he has an appropriation.

Mr. MEIGHEN: I presume he has a salary.

Mr. MACKENZIE KING: Certainly he has.

Mr. MEIGHEN: That has nothing to do with the principle of this Bill, which is whether Parliament desires that condition of affairs to continue, and Parliament should have next session to decide whether it desires that condition of affairs to continue or not We should not say now that Parliament should in this respect deal with this matter before the 31st of March. There is no more reason for dealing with this matter before the 31st March than for dealing before the 31st March with any other matter that comes before Parliament. Why should we force Parliament to take this action in this case?

Mr. MACKENZIE KING: The only way it is possible to ensure the Government bringing down necessary legislation is the obligation upon the Government to seek appropriations for the purpose. If this clause

is allowed to remain as it is, and we now assent to the powers, duties and rights of the Director of Coal Operations being continued until the end of the next session of Parliament, we shall be told by the minister as soon as we have got past the present fiscal year, that at this particular session we passed an Act continuing his rights and powers to the end of the session and that the Government have continued employing this particular officer in the position in which he now is, notwithstanding the fact that no moneys have been voted for his particular office. The minister knows as well as any other hon. member that the powers, duties and rights of the Director of Coal Operations should not be continued a day beyond the period for which Parliament appropriates money for the purpose, and he also knows that the present appropriation will expire at the end of this fiscal year, because we do not appropriate beyond one particular year. For that reason, I think we should seek to make our legislation conform with what, in the matter of control of public expenditures, is in the public interest. I would move that this clause be amended by striking out the words "next session of Parliament" in line 15 on page 1 of the Bill and substituting therefor the words "present fiscal year."

Amendment negatived.

Section agreed to.

On section 2—ratification of orders issued by director:

Mr. MEIGHEN: Carried.

Mr. MACKENZIE KING: No, it is not carried. This clause will not carry if it is possible to prevent its carrying. We are asked by this clause to ratify and confirm orders of the Director of Coal Operations, although we do not know what a single one of these orders is. In the schedule attached to this Bill there is a list of order numbers, and I do not believe any hon. member, including the minister himself, can tell us at this moment what these orders are. Before the minister asks us to ratify these orders, I will make way for him to tell us what they are.

Mr. MEIGHEN: I can give my hon. friend pretty generally the nature of these orders; I do not suppose he would expect me to have them by rote. These are orders fixing conditions of labour, hours of labour, methods of compensation, a system of differentials, prices of coal and methods of payment. I think that would cover them all. They apply from time to time, just as Mr. Armstrong, who is the director, after hearing both sides in every case felt to be essential and, in his judgment, the fairest that could be done, and both sides have acquiesced in these orders. So far as I know there is nothing now in dispute between the parties. I do not suppose any hon. member would want to peruse these orders in detail any more than he would want to peruse various regulations of that kind which must necessarily be made by an executive, whether the executive is the Governor in Council or some other person, from time to time, if there is to be any government carried on at all. If there is any special order which the hon. member would like to see, or if he would like to see them all, copies can be got for him; but I do not think he, as leader of the Opposition, is going to put himself in the position of delaying merely for the sake of delay. These are orders made by the Director of Coal Operations as an arbitrator between parties who, from time to time, have different disputes, and both sides have acquiesced in these orders. I would not think that Parliament, after such acquiescence, would want to come in and seek to modify and thereby revive the dispute. That would be all that could be done if we seek in any way to modify or to leave out.

Mr. MACKENZIE KING: The minister is quite right when he says that I would not wish to delay for the sake of delay. That is not the question that is to the fore at the moment. What we are being asked by the ministry to do is to ratify a number of orders which, as the minister has just stated, relate to prices, to regulations on hours and wages of labour, etc., all of which are issued by an individual. We have only the minister's word that there is apparent agreement in the matter. If there is apparent or substantial agreement, why ask Parliament to agree to this? It is not the practice, where orders are made by an officer in the performance of his duties, to have those orders brought down to Parliament for ratification. It is assumed that the officer has power to make the regulations when that power is given to him by Parliament. If he is acting honestly and carrying out his duties consistently, there is no need for ratification. The only purpose I can see in asking Parliament to ratify a number of orders, none of which we have seen, is that by chance somewhere there is something which the ministry is not certain about and which they would like to have Parliament confirm. It is a great mistake for Parliament to be asked to legis-

late on anything in the dark and particularly on any matter which affects the relations of capital, labour, and the public in the relations of industry. We have here the question of hours and wages of labour, the question of prices paid for coal by consumers, the whole relations of capital to labour; orders to the number of over a hundred are issued by an officer, and we are asked to confirm and ratify those orders without seeing or knowing anything about them at all. If there is something amiss that the minister wants to have put right, let him tell us what it is, and if he gives us a satisfactory explanation, we shall confirm the action of this officer. But it is going too far to ask Parliament to confirm every one of these orders without any knowledge of what they are.

Mr. MEIGHEN: I have heard of nothing amiss that requires any special ratification.

Mr. MACKENZIE KING: Then why ask for ratification?

Mr. MEIGHEN: The matter is as plain as anything could be. These orders when made were all valid. They, perhaps, did not suit either side, and unless they had that validity, some parties on either side might not have lived up to them, and consequently the orders would have been valueless. If some did not live up to them, none could have done so. But as valid orders, they were acquiesced in by obedience on the part of both sides. With the fall of the War Measures Act, their efficacy vanishes. At all events the Justice Department takes the ground that they are very very doubtful, and consequently we have adopted the policy of legislative revivification in each case. That is what we are doing here. If they had not fallen they would have been in effect anyway, and would have been actually acted upon by both parties. Certainly the whole public is affected by the continued operation or the stoppage of the mines, but the parties immediately affected by the terms of the orders are the operators on the one hand, and the miners on the other. Now we ask that orders of that kind affecting immediately them only, settling disputes between them, in the settlement of which they acquiesce, orders that had validity during the currency of the War Measures Act, be continued in that validity until Parliament next session decides whether it wants them longer continued or not. I think all we need to know is that it is necessary now that the orders be continued. Otherwise there would be only friction and confusion in District No. 18. I do not think the executive, even a smaller body, would venture for a minute, after an order had been acquiesced in, to go to work and amend it saying: "We do not like that order; it is true you heard the case and settled it as between the parties and they acquiesced, but we know better than you; we will alter that order, and you must go to work under that altered order." The hon. member suggests that though the executive would not think of doing that, Parliament might do it and say: "You settled that order between the parties, and the parties acquiesced in it and are working under it; all is peace; but now we are going to change that order." Is that conceivable? I do not think it is. So to ask that the orders be brought down here and be examined is merely for the sake of delay, although the hon. member may not so intend it.



Mr. MACKENZIE KING: I am absolutely opposed to ratifying any order I have not seen that relates to a controversy between capital and labour. If the parties are in agreement, there is no necessity whatever for coming to Parliament for ratification of an order that has been made by an officer who has power to make that order.

Mr. MEIGHEN: Though the parties may be in agreement, just as soon as there is no validity, is not somebody going to break the agreement? Of course there will be someone to do it.

Mr. MACKENZIE KING: Exactly. The minister has the Tory point of view that all you have to have is the bludgeon of legislation or something of that kind to hold over the heads of labour to make them obey any orders that are given them. This compulsory method of dealing with industrial questions is not the method that is likely to produce good results in the long run.

Mr. MEIGHEN: Who is talking about compulsory methods?

Mr. MACKENZIE KING: The minister himself is talking about them—

Mr. MEIGHEN: You are dreaming.

Mr. MACKENZIE KING:—when he speaks of having Parliament's authority for this or that. What he should be doing, instead of asking this Parliament to ratify a lot of orders and make agreements compulsory that ought to be voluntary in their nature, or else not exist at all, is to seek to get back on the statute book some of the laws for the freedom of the press and

freedom of assembly which he has kept off the statutes up to the present time. I would ask the minister to bring these orders down before he asks the House to consider this section further. I think it is a proper request. I do not think we ought to be asked to go on with the legislation until we see what we are asked to do. Does the minister refuse to bring down the orders?

Mr. MEIGHEN: I am prepared to have them all brought down to-morrow if there are other hon. members who would rather see these orders before proceeding further. I do not think it is vital at all. It appeals to me as a worthless delay, but if hon. members want to delay I am not going to go in the face of any substantial sentiment in that direction.

Mr. MACKENZIE KING: The minister may not think that the request of the leader of the Opposition, speaking in the name of the Opposition, amounts to anything, and if he likes to proceed in that high-handed and arbitrary manner he is quite at liberty to do so. I would like nothing better than to see him refuse to bring these orders down and get his following, who are ready to vote for anything he asks them to vote for, to support a series of orders, not one of which they have seen. I would like nothing better.

Mr. MEIGHEN: The hon. member might keep control of his temper a little better. I did not speak in the name of the Government in any way; I was simply giving my opinion. I did not know, and I do not know yet, that every hon. member on that side of the House feels with him any more than I know that every hon. member on this side of the House feels with me. I put myself in the hands of the committee. I do not think there is anything in the hon. member's request, but if it is the opinion of any substantial body of this committee I am quite prepared to defer the further discussion of this section.

Mr. ROBB: Is it possible that all the followers and supporters of the minister are now prepared to vote for a series of resolutions and orders concerning the price and hours of labour without knowing what they are voting for? Surely his supporters are not so subservient as that.

Mr. COWAN: These Orders in Council have been in effect a year or two and have given satisfaction to everybody. That is evidence enough for me.

Mr. MACKENZIE KING: We are not talking about Orders in Council at all.

Mr. COWAN: The Orders that have been passed.

Mr. MACKENZIE KING: What we are discussing are orders given by the Director of Coal Operations, not one of which my hon. friend has seen or can tell us anything about.

Mr. COWAN: But I have seen the effect of them—and that is the important thing—and it has been mighty satisfactory to us.

Mr. MACKENZIE KING: I am quite prepared to admit that orders that have been given at a particular time during the war may have had their beneficial effects, but it is one thing to pass an order to meet a particular situation and another thing to say that that order shall govern for a longer or indefinite period of time without giving the parties who are affected by it any apportunity to be heard.

Mr. COWAN: I would hate conditions to be upset out there at the present time. We have been getting along mighty well. The orders have evidently been entirely satisfactory, so why not let them continue until things get better settled?

Mr. MACKENZIE KING: If Parliament takes an arbitrary and high-handed attitude and says that certain orders shall have the effect of law and that men who do not obey them will be violating the laws of this country, if that is the way you are going to treat the working men of British Columbia or any other province I believe you will not have much rest out in the West or anywhere else.

Mr. McKENZIE: Those orders that have been passed before there was any question of the validity of the Orders in Council surely do not require any ratification at our hands. There may be some orders that have been passed since the war ceased and the validity of the Orders in Council might be questioned, but no ratification at all is required for the others, and I think the minister should distinguish between them. I have a very clear recollection of the legislation that was passed last year in connection with Commissioner Pringle's operations regarding newsprint. I took the ground at that time that legislation such as this was not necessary. The Bills were in charge of the then Minister of Finance (Sir Thomas White) and he agreed with me that the legislation was unnecessary but he said what the minister has just said, that the Department of Justice had decided otherwise, and he was therefore having the legislation put through. There must have been

a period when there was no question of the validity of the Orders in Council, and perhaps that is true of three-quarters of the orders that we are asked to ratify. There may never have been any doubt as to their validity. I would not have so much objection to the minister asking us to ratify what has been done since the end of the war, and since the validity of the Orders in Council have been questioned, provided we have an opportunity of seeing at least some samples of these orders. I do not think it is fair to ask us to pass legislation when we do not know just what we are doing. Some of these Orders in Council may have been passed recently, and the workmen have no particular knowledge of their provisions. If they have not been tested by practical application, I think it would be unfortunate for us to pass an Act confirming those Orders in Council, or orders made by vitue of them, for they might be altogether unsatisfactory. Whether it is convenient or otherwise to the minister, I am sure the hon. gentleman will see the force and logic of the stand we take, and I do think that we should see samples of those orders so that every man on either side of the House, before committing himself in regard to this legislation, may know just what he is being asked to do.

Mr. MEIGHEN: I move that the committee rise and report progress.

Motion agreed to and progress reported.

## SUPPLY.

House again in Committee of Supply, Mr. Boivin in the Chair.

Department of the Interior—salaries, $1,221,000.

Mr. MACKENZIE KING: The Government has still to give us details of the Estimates in regard to Civil Government. I do not think we should proceed with this item.

Mr. MEIGHEN: Very well; we will go on to the Soldiers' Settlement Estimates.

Item stands.

| | |
|---|---|
| Soldiers' Settlement Estimate—Salaries of Board of Commissioners | $ 17,000 |
| Advances to soldiers settling upon the land and cost of administering The Soldiers' Settlement Acts of 1917 and 1919, including clerical assistance | 50,000,000 |
| | $50,017,000 |

Mr. MACKENZIE KING: Will the minister give the committee some explanation of these items?

[Mr. McKenzie.]

Mr. MEIGHEN: This matter was under consideration for nearly the whole of the afternoon on March 7th and a full explanation was given of the division of the moneys. The first item is for salaries, $7,000 and two amounts of $5,000 each. The sum of $50,000,000 consists of the following items:

| | |
|---|---|
| Expenses, supervising settlers, land appraisals, office contingencies, travelling and living expenses, etc. | $ 600,000 |
| Legal services and disbursements | 150,000 |
| Advisory Committees | 50,000 |
| Training centres, maintenance and general expenses including board prospective settlers, purchase stock, etc. | 150,000 |
| Printing and stationery | 50,000 |
| Advertising | 20,000 |
| Pay and Allowances | 100,000 |
| Salaries | 800,000 |
| Miscellaneous and unforseen expenses | 80,000 |
| Loans | 48,000,000 |

Mr. PARDEE: Do these loans cover land alone, or do they include cattle and implements?

Mr. MEIGHEN: They cover all. We hope to provide altogether for between fifteen and sixteen thousand men. The loans average from $3,000 to $3,500, inclusive of stock and implements.

Mr. PARDEE: What is the average advance per acre?

Mr. MEIGHEN: I will give it by provinces:

| | Average cost per acre. |
|---|---|
| Prince Edward Island | 22.42 |
| Nova Scotia | 21.40 |
| New Brunswick | 16.69 |
| Quebec | 24.42 |
| Ontario | 33.02 |
| Manitoba | 22.31 |
| Saskatchewan— | |
| Regina | 18.53 |
| Saskatoon | 17.32 |
| Prince Albert | 17.98 |
| (Average for the province) | 18.00 |
| Alberta— | |
| Edmonton | 17.90 |
| Calgary | 18.38 |
| (Average for the province) | 18.13 |
| British Columbia— | |
| Vancouver | 49.55 |
| Victoria | 76.50 |
| (Average for the province) | 53.80 |

For the whole Dominion the average cost per acre is $27.58 and the average acreage 140.5.

Mr. PARDEE: That is the average size of the farms held by the men?

Mr. MEIGHEN: Yes.

Mr. ROSS: In the statement which has been submitted there is an item of $800,000 for salaries. Is that in connection with the work of the board, and for wages to employees?

Mr. MEIGHEN: Yes.

Mr. ROSS: There is another item of $600,000. What is that for?

Mr. MEIGHEN: I could lecture for a long time on how few employees there are. Indeed, we are frequently criticised that we have not enough. It is very hard to get a basis to compare that with any other department. On a comparison of the number of men served by the Department of Soldiers' Civil Re-establishment it would only be a mere fraction. Of course the Soldiers' Civil Re-establishment is taking care of disabled men while the Land Settlement Board is taking care of men who are not disabled. We have 15,000 odd, or nearly 20,000 soldiers, to visit and supervise. One of the complaints dealt with by the Civil Re-establishment Committee during the last two weeks has been that our men do not visit them often enough. The hon. member will see that if we have nearly 20,000 men to locate and to follow in their farming operations from end to end of Canada we need some staff supervisors. I could give the exact number of each class but 1,500 is a very small number of men, including stenographers, and clerks of every kind in all the offices, and we have seventeen centres throughout the Dominion, and including the supervisors, valuators and so on. That number does not include the loan committees or advisory boards but includes every one else.

Mr. PARDEE: How many advisory boards are there?

Mr. MEIGHEN: There were seventeen, one for each of our offices.

Mr. PARDEE: Is that for the whole Dominion?

Mr. MEIGHEN: For the whole Dominion. There is not that number now. We have merged our advisory boards in our own executives at certain points, where we felt that we had an executive strong and capable enough to supersede them. We have done that at such places as Edmonton, Vancouver, Montreal and St. John.

Mr. PARDEE: Where in Ontario?

Mr. MEIGHEN: In Ontario we still have an advisory board at Toronto.

Mr. PARDEE: Just the one?

Mr. MEIGHEN: Just the one. We had two or three in Quebec but we have none at Montreal now. We still have an office there. We have an office at Sherbrooke and I believe we have an advisory board at Sherbrooke and one at Quebec.

Mr. PARDEE: Does the minister think that one advisory board is sufficient for Ontario? Taking the territory east, west and north of Toronto, can one advisory board discharge the duties properly? In Western Ontario there is a good deal of land not actually vacant but not cultivated to any greater extent than being used for pasturage. Does not the minister think that it would be wise to have an advisory board in Western Ontario that would encourage soldiers to make application for land of this character in that particular part of the province? Does the minister not think it would perhaps encourage applicants if there were a board closer at hand?

Mr. MEIGHEN: The expense of equipping an office is very great and you must have an office where you have your advisory board. If you could have merely an advisory board at an outside point the expense would not be so great but you cannot do that.

Mr. PARDEE: Why could you not have an office?

Mr. MEIGHEN: You are going to run off the track entirely if you have an advisory board, say, in North Bay and no office there in direct contact with the head office here. You must have your office wherever you have your advisory board. If not the inconvenience would be very great. In fact a man would have no advantage at all unless he had an office with which he was going to do business after the advisory board had made its recommendation and from which he could obtain assistance. The chairman informs me that it would be quite impracticable to establish another office as the cost of an office is very high. We are getting on pretty well in Ontario. Our office in Toronto is a good one. I would like the hon. member for West Middlesex (Mr. Ross) to call at the Toronto office. I do not care how early in the morning he gets there, he will find them open and hard at work. It is a most efficient office.

Mr. ROSS: How much has this Toronto office cost?

Mr. MEIGHEN: I can get that.

Mr. ROSS: I would like to know how these solicitors are chosen, from whom they are chosen, on whose advice, what fees they are paid and why only solicitors living in Toronto are paid to search land titles all over the province of Ontario.

Mr. MEIGHEN: I can get the figures of the cost of each office. The solicitors are appointed by the Department of Justice. They are returned men in every case, and they employ agents at different points in the country.

Mr. ROSS: I do not think they do that.

Mr. MEIGHEN: Their bills are taxed by the Justice Department just the same as the bills for any other legal services. We adopt the scale of the Justice Department. We formerly had very lively controversies with some of the lawyers who thought they were not being sufficiently paid but we are departing from that system just as fast as we can and as a consequence we are reducing our legal expenses by a percentage that would almost startle the hon. gentleman. We are getting them down to a quarter of what it cost under the old system.

Mr. ROSS: Will my hon. friend let me know when he brings in his other items what the solicitors in Toronto were paid during the last fiscal year in connection with this year?

Mr. MEIGHEN: Yes.

At Six o'clock the committee took recess.

## After Recess.

The committee resumed at Eight o'clock, Mr. Steele in the Chair.

The CHAIRMAN (Mr. Steele): When the committee rose at six o'clock we were considering item 275, Soldiers' Land Settlement, $50,017,000.

Mr. ROWELL: In the absence, Mr. Chairman, of the Minister of the Interior, who will not be able to be here for a short time, I beg to move that further consideration of this item be postponed, and that we take up item 271 relating to the Royal Canadian Mounted Police.

Motion agreed to.

Royal Canadian Mounted Police, $4,674,066.40.

Mr. CAHILL: Was there a motion to go into Supply on this item?

Mr. ROWELL: Yes, Mr. Chairman, there was a motion to go into Supply on this item some three weeks ago—the night we discussed the appointment of a Canadian representative at Washington; and at the request of my hon. friends opposite further consideration of the item was postponed.

Mr. CAHILL: Will the minister explain why it is necessary to increase the Mounted Police and distribute them all over the Dominion?

Mr. ROWELL: My hon. friend will see that the vote proposed is not an increase on last year's vote. On the contrary, it is a decrease of that vote. But I am very glad to give my hon. friend information with reference to the position and work of the Force. The Act which was passed last year providing for the amalgamation of the Dominion Police and the Royal Northwest Mounted Police under the name of the Royal Canadian Mounted Police has been brought into force by proclamation since last session. That Act provided that the headquarters of the force should be moved from Regina to Ottawa, and on the 1st February, this year, the headquarters staff took up its work in this city. On the same day the amalgamation was completed, so that from the 1st February we have had one federal police force discharging its duties from the Atlantic to the Pacific and from the international boundary to the Arctic circle.

The strength of the force at present is 74 officers and 1,734 other ranks, making a total of 1,808; that is inclusive of the Dominion Police who are now members of the Royal Canadian Mounted Police. My hon. friend has asked as to the duties of the force. In the first place, it is the only police force responsible for seeing that the law is truly administered and enforced in the Northwest Territories, in the Yukon Territory and in the Dominion National Parks. In addition the force discharges important duties for all branches of the Federal Government in seeing that laws are duly observed in which the Federal Government is particularly interested by reason of those laws relating to the public revenue or to the other matters which I shall mention in a moment or two. First, in reference to the Department of Justice. If any Federal Government property is stolen, if any cheques on Government funds are forged,—any crimes in which the Government of Canada is directly interested—the case is turned over by the Department of Justice to the Royal Canadian Mounted Police for investigation and the bringing of the criminals to trial. Then, the members of the force on the inter-

national boundary have co-operated in the past, and are still co-operating, with the Customs officials in preventing smuggling. They are also working with the Department of Inland Revenue. This branch of the work, I have to admit, has somewhat increased during the past year or two.

Mr. CAHILL: From what cause?

Mr. ROWELL: The growth of illicit stills in certain districts.

Mr. CAHILL: The outcome of my hon. friend's legislation.

Mr. ROWELL: My hon. friend knows, like every other intelligent man, that wherever we have legislation dealing with the importation and sale of liquor there is a natural tendency to seek to evade the law by the establishment of illicit stills.

Mr. WHITE: Is the business of illicit stills increasing of decreasing?

Mr. ROWELL: At the present time I cannot give my hon. friend any information on that point,——

Mr. BURNHAM: It is at a standstill.

Mr. ROWELL: —but the Mounted Police are co-operating with the Department of Inland Revenue in preventing the violation of the law in connection with the establishment of illicit stills. They also co-operate with the Department of Indian Affairs in the enforcing of law on the Indian reserves, particularly the reserves in Western Canada. On almost every western reserve I think there is a detachment of the Mounted Police, and I am glad to say that the mere presence of members of the Force is in itself a guarantee that the law will be observed, for there is no class in the community which has a higher respect for the Mounted Police than have the Indians of Western Canada. From the time the Mounted Police went into Western Canada the Indians learned that they could trust the Force to deal fairly with them, and that the laws would be honestly and impartially enforced as between the Indian and the white man. The presence of the Mounted Police, therefore, in connection with the Indian reserves is very valuable in Western Canada.

The Mounted Police work with the Department of Immigration and Colonization on the international boundary during the past year of two has been of very considerable importance. Owing to the action taken in the United States with a view to deporting men whom they consider undesirable, there has been a natural tendency on the part of many of these men to seek an asylum in Canada, and for the protection of Canada against the coming in of men who would not be desirable, the Immigration Department have the assistance of the Royal Canadian Mounted Police. The Force assist the Department of the Secretary of State in connection with an important branch of its work. Where application is made by aliens for naturalization in Canada, particularly in certain sections of the country, the application is referred to the Mounted Police for investigation, and they report on the facts of the case to the Secretary of State so that he may have full and accurate information in connection with all such applications. More recently —and this is a little departure from the general work that I have mentioned—the Department of Agriculture has asked the co-operation of the Mounted Police in enforcing the regulations which the department has recently adopted to prevent the spread of mange in Southern Alberta.

The foregoing will give the committee a general idea of the scope of the work of the Mounted Police in insisting upon the enforcement of federal laws. In addition to this, they constitute a reserve force available at the request of the provinces—and only at such request—to assist in the maintenance of law and order where the provincial authorities themselves are unequal to the task. Where the provincial authorities request co-operation and assistance for the preservation of law and order, the Mounted Police, as a federal force, is available to render that assistance. I think hon. members will agree that that assistance should be rendered by a police force rather than by the militia. I believe that in this matter that would be the general judgment of the people of Canada.

Mr. TWEEDIE: Have any cases arisen where requests for such assistance have been made?

Mr. ROWELL: Different cases have arisen, the most important case, of course, being the occasion when, at the request of the Attorney General of Manitoba, accompanied by the request of the Mayor of Winnipeg, the Mounted Police took part in the suppression of the riot which occurred in Winnipeg last summer. From other provinces also requests have come for the assistance of the Mounted Police, but the cases have not been of grave public moment as was the case that I have just mentioned. This brief statement will give the committee an idea of the work of the Mounted Police.

Mr. CAMPBELL: Do the Mounted Police act in connection with the Criminal Code

in a province where there are provincial police?

Mr. ROWELL: No. In any province in connection with any matter outside the federal laws to which I have made reference they act only on the express request of the Attorney General of the province. In the absence of that request no action is taken by the Mounted Police. That is our understanding with all the provinces, because the provinces are responsible for the administration of criminal law. They should not be relieved from that esponsibility, and there is no intention on the part of this Government to relieve them from it. Therefore, if there is, in a given province, any defect in the administration of the criminal law, that province alone is responsible for it.

Mr. CAMPBELL: If, in a place where Mounted Police were stationed and there were no provincial police, an infraction of the Criminal Code took place, would the Mounted Police ignore the matter altogether?

Mr. ROWELL: In such a case it would be the duty of any ordinary civilian to assist in the detection of crime; to that extent it would be the duty of the Mounted Police officer to do so. But in respect to any offence such as my hon. friend has mentioned, no duty rests up the Mounted Police officer that does not rest equally on all other citizens in the particular community who have knowledge of the facts. I can quite conceive that my hon. friend might say: Well there is a policeman there; a crime has been committed; should he not undertake the work of arrest? But if that were done you would at once come in conflict with the provincial authorities who are responsible; you would either interfere with their work or relieve them from a measure of their responsibility. So the principle I have indicated is not departed from in the administration of the law.

Mr. MACKENZIE KING: When the Mounted Police assist the provincial authorities on the request of the Attorney General of the province, is any proportion of the expense borne by the province, or is it met exclusively by the Dominion treasury?

Mr. ROWELL: So far, it has been met exclusively by the Dominion treasury. There is very little increased expense in that respect, because the force is in existence; their pay and subsistence must continue whether they are assisting the provincial forces or not. The Federal Government, therefore, has not felt called upon to demand compensation of the provinces in such cases.

Mr. MACKENZIE KING: In cases where the militia are called in to assist, the expenses are met, are they not, by the local or provincial authorities?

Mr. ROWELL: When members of the militia, composed of men engaged in their ordinary occupations, are called out for such service they must be paid, and as that is a new charge upon the federal exchequer, the province that requests their assistance pays the costs. That is the general principle, as I understand it.

Mr. MACKENZIE KING: Does my hon. friend not think that it might be advisable to adopt that principle, at least to a certain extent, with regard to this police force? It seems to me that unless that is done the provincial authorities may find it convenient to use the police to the exclusion of their own forces whenever it suits their convenience.

Mr. ROWELL: If we discover any tendency of that kind I think it would be a wise thing to do, because Parliament would not be justified in relieving the provinces from the responsibility that properly rests upon them for the administration of law and the preservation of peace within their respective territories. We have not found, however, up to date, any serious difficulty in that respect; the demands that have been made for assistance are not numerous.

Mr. MORPHY: As I understand it, there seems to be fear of clashing jurisdiction as between the Ontario—we will say— or Quebec, police, and the Royal Canadian Mounted Police. I think I heard the minister say that only upon the request of the Attorney General of a province would the Mounted Police act. Well, I can conceive of a situation where a crime has been committed; the Mounted Police officer gets word of it, but he has no responsibility in the matter; he has no authority to act.

It would be his duty, I presume, to remain silent, quiet. If that be the case, because of the Mounted Policeman lacking in the right to be a preserver of the peace, knowing that his duty was not to interfere with provincial officers and being doubtful about trespassing beyond his duty, the crime goes unpunished probably on account of the time within which some police officer who has the duty, would learn of the crime. It seems to me, that, especially in the East,

where the Mounted Policemen are quartered, they would in many cases, be much more likely to be on the alert for criminal practices than some of our provincial police. If the full services which these men can render are to be taken advantage of, some arrangement should be made short of the Attorney General's request for their co-operation, so that the very fact that the Canadian Mounted Police are in our midst would be an additional safety to the public against crime, providing there was an understanding with the provinces that they should accept the kind offices of the Mounted Police,—if you like to put it that way—and permit them to have carte blanche to pursue and arrest a criminal and to do the work a policeman would have to do in any well-organized community. I do not know how seriously the Canadian Mounted Police are involved in arduous duties; but many, I think, would like an opportunity to do a little more at times, rather than do a little less. I do not think any extra expense would be entailed if this Government were to approach the Provincial Governments with a suggestion that, while the Canadian Mounted Police are intended for Indian Affairs, forgery, as one federal crime, enforcement of law along the international boundary, and such like, still there are many crimes which do not fall within these categories and in which the Mounted Police would be very useful. It would be very proper for the Government to approach the Provincial Governments and say: We offer you the services of these men for the better order of the community; in that way probably showing to the country at large the excellent services—excellent, I believe, beyond those of the average provincial police—that these men could render to the country at large.

Mr. LEMIEUX: I have nothing but words of commendation for the excellent services rendered by the Northwest Mounted Police since its creation in the Northwest. Subject to correction, however, I do not see why the Northwest Mounted Police was removed from the West to the East. It is true that, under ordinary circumstances, I would understand that anything which is dependent upon political control should be centralized at Ottawa; but the very name of the Northwest Mounted Police suggests that it is a body of men organized to maintain law and order in the far districts of the West. For over forty years, that body has rendered most valuable assistance, and the name and the uniform of the Mounted Police meant that law and order were under their safeguard and protection. In fact, the name of the Northwest Mounted Police has reverberated beyond our Canadian shores, and any one who travels abroad hears quite frequently of the efficiency of that body. One has only to read the reports published from year to year by the Superintendent of the Mounted Police to know the valuable services rendered by that body in the past. Whenever I meet those fine young fellows walking with a jaunty air on the streets of Ottawa, I ask myself why they have been taken from the plains of the West where they represented law and order and sent to Ontario where we have a strong body of provincial police, in addition to having a strong body of provincial police in Quebec, and similar bodies in the other eastern provinces. During the period of the war, when the Government had some drastic legislation to carry out in connection with military service and such business, I could understand that the Government would strengthen the arm of the law for the carrying out of such policies, and I would not begrudge the help that might, under such circumstances, be given by the Northwest Mounted Police to the federal authorities. But now that war is over and all such troubles are past, I do not see why we maintain at such a high cost, this body of fine young fellows at Ottawa. Their place is in the vast solitudes of the West, on the prairies, where they can maintain, as they have done heretofore, British law and order.

It is a source of surprise for many people that, now that peace is restored, the Government should not reduce expenditure. My hon. friend might, perhaps, say: Well, we are threatened with strikes, if not with riots resulting from strikes. Thank Heaven, in the East at least, we have passed through the ordeal of the last two years quite well. We had no strikes of such magnitude as that which took place, for instance, in Winnipeg —and I have the highest regard for the citizens of that city who took the law into their own hands when the days of danger came. But in out great industrial centres in the East—Toronto, Hamilton, London, even Ottawa, Montreal, Quebec, Sydney, Halifax, St. John—where has there been any necessity for maintaining law and order with the aid of the Northwest Mounted Police? Under former conditions, before the Mounted Police were called to Ottawa, they did their duty splendidly, and the provincial police and the municipal police were sufficient to cope with any difficulties which might arise

in the East. Moreover, in case of a strike of great magnitude, or extensive rioting, the militia organization can always be relied on, and a municipality in which a strike or a riot takes place is responsible for the expenditure involved in calling out the militia organization. In view of the large expenditure that we necessarily have to face and the taxation measures imposed by this House in order to meet our war liabilities, I would ask my hon. friend if in his judgment—and I am sincere in appealing to his better judgment—we should not decrease the expenditure on the Northwest Mounted Police. In the East where we have law and order, where we have cherished traditions, and where we have no large bodies of foreigners who have to be kept in check at times because they ignore the law and perhaps import ideas which are not those of the East, the Northwest Mounted Police is not needed. Not that I disparage the efficiency of the corps or the high sense of duty of the men. I have paid enough compliments to the Northwest Mounted Police to justify me in saying that they are more needed in the far West where they are more likely to come in contact with and guide the foreigners who have gone out there. Once more on behalf of the taxpayers of Canada, I appeal to my hon. friend to reduce substantially this expenditure. I do not know that the Royal Northwest Mounted Police is needed in the East, but they are needed in the West, and I would welcome their return to the West. The centralizing of the Northwest Mounted Police at Ottawa involves a large expenditure which in my judgment is unnecessary.

Mr. COWAN: I never hear the Royal Northwest Mounted Police mentioned in this House but I feel that I ought to say something about them. I cannot agree with the hon. member for Maisonneuve (Mr. Lemieux) in two objections he has taken to the Northwest Mounted Police and their re-establishment. He objects, first, on the ground of the expenditure involved. Let me say to him that I believe that the re-establishment of the Northwest Mounted Police on its present basis was one of the most economical things this Government has ever done. No matter what we may think of the situation here in the East, we have to continue the Royal Northwest Mounted Police in order to police the Yukon. It is utterly impossible to do without them. We could, of course, increase the subsidy to the Yukon so as to enable them to employ a number of men as re-



inforcements, but that would be saddling an enormous expenditure on a small population. Then there is the Athabasca country, which is now coming largely into population. There is already a stream of prospectors going into that oil country, and there is no question at all but what in a year or two the population of that territory will be substantially increased. We must maintain law and order there or abandon our attempt to uphold the traditions of the British Empire in this Dominion. It is therefore necessary for us to retain the Northwest Mounted Police. What does that mean? It means that headquarters will be at Ottawa as they always have been, because although we have had a headquarters at Regina, the city to which I am proud to belong, the Comptroller has always lived here, and Ottawa has been the real headquarters. So we must maintain the Royal Northwest Mounted Police, and a department here with a headquarters staff, no matter how the force is disposed, and that accounts for the major portion of the cost which has to be incurred. Having that force, and that department, and that cost, what could be more economical than that this Government should unite the force with the Dominion Police and thereby avoid duplication? We have had the Dominion Police in Eastern Canada. You people in Eastern Canada are not so desperately good that you do not need a policeman once in a while. We know you do. The only difference is that in the East the policemen go around as plain clothes detectives, because the people down there are a great deal more cunning in their crimes. Our redcoat in the West is a great deal more respected than any Dominion policeman in plain clothes in the East. As we have to maintain the Northwest Mounted Police why not combine the two forces and avoid duplicate expense, and have the one force perform all the duties which the President of the Privy Council has indicated, making it a Dominion force, with the name of Royal Canadian Mounted Police? To me it seems a real step in the direction of economy which had to be taken, and I am very glad the Government has taken it.

Mr. BUTTS: I am going to ask the minister to re-consider whether it is well to extend the Mounted Police at least to the province of Nova Scotia. I have been magistrate, sometimes I have been called judge, of a town of between 9,000 and 10,000 people. We never had need of Mounted Police down there, and we have no need of them

now. I can remember distinctly sitting down one time and writing an article for the press showing that from the 1st of January until the 8th of the following December there had never been one person in gaol in my town of over 9,000 people. I remember also stating in that article that I knew of 21 foreign languages that were spoken in that town.

Mr. WHITE (Victoria, Alta.): There is no law against that.

Mr. NICHOLSON (Algoma): Gaelic, too?

Mr. BUTTS: Yes, Gaelic and all the rest. Why do we want the Mounted Police down in our country? We do not want them, and this House will be doing an injustice to Canada if they send them down there and pay them for nothing, for that is the way I regard it. They are to be sent down there, I am told, to watch smugglers, to prevent them smuggling booze in from St. Pierre and Miquelon. I suppose there is not one single Royal Northwest Mounted policeman that ever saw a supful of salt water, and they are to be sent down there to watch smugglers on the Atlantic seaboard. Childishness! I hope the minister will see the childishness of taking men from the plains of the West and sending them down to the breakers of the Atlantic. If you want Royal Northwest Mounted policemen down there for that purpose, let us get them in Nova Scotia and train them. Do not send hayseeds from away across the plains down to Nova Scotia.

Some hon. MEMBERS: Order.

Mr. BUTTS: I have been orderly too long. I have listened too long to that colony over there that has been charging us $15.75 a barrel for flour down in our country. Now, Sir, so far as the Northwest Mounted Police are concerned, I am going to ask the minister to "forget it." I hope he will send none of them down into our part of the country for they will not conform to our police customs, and I say this as a magistrate of seventeen years' experience in a town of 10,000 people. I know whereof I speak.

An hon. MEMBER: What town?

Mr. BUTTS: Sydney Mines. I say that it is dangerous to send them there. I speak for 73,000 people in Cape Breton, and I can say that they will not appreciate any such intrusion. If the Government sends the Mounted Police down there those men will not only be unappreciated but they will be regarded as intruders, and trouble will ensue. I want to remind my hon. friend from Shelburne and Queen's (Mr. Fielding) and my hon. friend from Maisonneuve (Mr. Lemieux), who were both members of the last Government, that we had a big strike on the part of the coal miners in Glace Bay, a town of some 17,000 or 18,000 people, and in addition there was what might almost be called a sympathetic strike in the city of Sydney, where there are some 25,000 or 26,000 people. At the same time there existed in Sydney Mines all the sympathy that could be evinced in a sympathetic strike. So that altogether there were over 50,000 people involved in the disturbance. Do hon. gentlemen opposite remember what happened? Do they remember Mr. E. M. Macdonald—what at the time was member for Pictou county—in connection with this affair? If hon. gentlemen do not remember this thing they can go into the library and Hansard will show them what Mr. Macdonald said, and they will find reference to Mr. Plummer of the Dominion Iron and Steel Company. I see my hon. friend from Maisonneuve smile; he will remember that. These are things which it is well that the country should recall from time to time. When all these matters are recalled my hon. friends opposite will think, and no doubt they will realize that the country is thinking.

Mr. WHITE (Victoria, Alta.): It is a new experience to find some one getting up in the House and making the statement that the Royal Northwest Mounted Police are not needed in Canada. However, I think there is a good deal to be said in regard to the remarks made by my hon. friend, (Mr. Butts), and although I am always glad to see that the hon. member for Regina (Mr. Cowan) always champions my old comrades of the Northwest Mounted Police, I cannot entirely endorse his remarks when he says that they are the most economic force that has ever been organized for the maintenance of peace in any country. My hon. friend knows as well as I do that long ago, when their duties were more numerous and arduous than they are to-day, when they kept the peace and looked after the safety and welfare of the country, maintaining the observance of all the laws of the Criminal Code, there were far fewer men in the force than to-day and the expense was less than one-tenth of what we are asked to vote now. I can remember that up to the year 1914 their duties included the work that is now done provincially in the three western provinces as well as in the Yukon. They discharged their federal duties as well as those duties

which are now discharged by the provincial police, and the work was done with about one-third fewer men and at one-tenth of the present cost. The question to-day is whether they are needed. We know that so long as the Mounted Police are kept up in Canada under the present organization they will do their duty and do it well. But, as my hon. friend from Maisonneuve has asked, is it necessary at this time to add nearly $4,000,000 to the expense in connection with the maintenance of this organization while the duties of the men have been reduced by over one-half? That is an important question. Another thing about which not only I but, I think, all old members of the Mounted Police complain, is the fact that these men are now deputed to perform different duties from those which they should properly discharge, and instead of being maintained to enforce law and order, they are used as strike-breakers and put to other work which formerly they were never called upon to do. And after the splendid record which they have made for themselves during the last forty years they are in great danger of losing caste and having the honour which they won by reason of long and meritorious service detracted from. I think it would have been a great deal better, when the Government decided to have a constabulary of this kind, had they disbanded the old Mounted Police and allowed them to retire with the credit they had already established for themselves. The Government could then have organized a new force somewhat similar to the old one, so that there might be no danger, by reason of an amalgamation of veterans and new men, that the record of the old Mounted Police might be in any way dimmed. I cannot see any use in retaining the old name, and there have been more harsh criticisms of the Mounted Police in the last two years than there were thirty-five or forty years ago. My hon. friend (Mr. Butts) says that he does not see any necessity for it, and I agree with him. If one-third of the number of men now in the Force could control the West and do the work of the provincial police, besides maintaining law and order and looking after the business of the Justice and other departments, I do not see the necessity for increasing the Force or removing it to the eastern part of the country, where, according to my hon. friend, it is not wanted. It is a great expense to the country and there is danger that the Force will perhaps lose some of the credit that it now has all over this country for the good work that it has done in the past.

[Mr. White.]

Mr. ROWELL: There is one remark the hon. gentleman has made which I wish to deal with at once to prevent misapprehension. The hon. gentleman said that the Mounted Police had been used for strike work. That is not correct. The Mounted Police have not been used for strike work or as strike-breakers to my knowledge, which covers the last two and a half years, and I do not believe they were ever so used.

Mr. WHITE (Victoria, Alta.): All I can say to the minister, then, is that they have been badly reported. It was claimed that they broke the strike at Winnipeg.

Mr. ROWELL: I am quite aware that there are some who have made false statements in the press and on the platform in regard to the Mounted Police. I am glad my hon. friend has mentioned it because it gives me an opportunity of flatly contradicting the statement. They did not break the strike in Winnipeg. All they did was to suppress the riot and prevent most serious bloodshed and disturbance when called upon by the provincial police to do so.

Mr. WHITE (Victoria, Alta.): They dispersed the mob.

Mr. ROWELL: They did disperse the mob.

Mr. WHITE (Victoria, Alta.): That is what I meant.

Mr. ROWELL: —and saved the situation in the city of Winnipeg. Had it not been for the Mounted Police Force in the city of Vancouver during the troublesome months last year I do not know that that city would have been as quiet and peaceable as it was during that period. Our opinion is that the presence of the Mounted Police in Vancouver had a most beneficial effect, although they were not called upon to take any direct action in connection with the preservation of order. In addition to what I have said of the work of the Mounted Police in Winnipeg, they did protect the post office officials who stayed at their posts discharging their duty when efforts were made to intimidate them and to prevent them from discharging their duty and carrying out their oath of fealty to this country. The Mounted Police afforded them protection at that time. The Mounted Police did not act as strike-breakers in any city.

Just one word in answer to my hon. friend from Cape Breton South and Richmond (Mr. Butts). If we always had as good judges or even presiding magistrates as my hon. friend makes we probably would not need any police in any portion of the country. But that would be too much to expect. The fact is that we have no more federal police in the province of Nova Scotia now than we had in the past. The Dominion Police, with headquarters at Ottawa, have always had police in Nova Scotia, and the amalgamated force still have police there. The police in Nova Scotia are in the city of Halifax, where the military magazines and naval stores are, and this Government protects that property by Dominion Police.

9 p.m.

Mr. STEVENS: I do not rise to criticise in any way the items before the committee nor to criticise this Force. In fact, I am only too glad to state that in my opinion the Government have done wisely in not only preserving but in extending the scope and influence of this magnificent body of police. I have watched them and their activities in Western Canada for the last twenty-five years, and I have no hesitancy in saying that there is no group of police officers which goes about its duty so coolly and so efficiently as does the Royal Northwest Mounted Police or the new force called the Royal Canadian Police. But I would remind the minister of the subject that I have brought to his attention, and the attention of the House on, I think, three different occasions, and that is the total inadequacy of the pensions to old members of the Force who retired some years ago and, indeed, in recent years. This very meagre pension, admitted by all, admitted in a former debate by the minister (Mr. Rowell) to be exceedingly small, has left a great many of these veterans in a hopeless and almost helpless position to-day. I mentioned this matter, as I have already said, in some detail on several occasions. I am going to remind the minister of the statement which he made on one occasion when I brought the question to the attention of the House, and I am going to claim from him now some effort to fulfil the assurance that he gave. I and other hon. members had spoken in regard to it, and on March 12 last the minister said:

> I appreciate what the hon. member has said, and what other hon. members have said in support of his suggestion,—

That is regarding increased pensions to the veterans of the North West Mounted Police.

> —and I am quite prepared to bring the matter to the attention of my colleagues and ask that it be further considered. Certain facts have been brought out this afternoon indicating conditions of greater hardship than had hitherto been presented to me in connection with this matter.

We have in this statement the admission of the minister that there was new information, new evidence of the need and fairness of this movement, and also the assurance that he would discuss it with his colleagues. I took the opportunity, on two occasions or more since then, to bring the matter personally to the attention of the minister and to ask that he give it his attention and consideration. In addition to that there was filed with the minister a petition or statement from the Northwest Mounted Police Veterans' Association of Canada setting forth very clearly the hardships they were suffering and making a request for a very reasonable increase in their pension. I do not wish to go over all this ground again but I am going to again request the minister to give us, if possible, a definite assurance at this time that an increase in pension, which is expected and for which an assurance has already been given, may be granted in the near future.

Mr. KNOX: I would like to add a few words to what has been said by the hon. member for Vancouver Centre (Mr. Stevens) with reference to the pensioners of the police force. I have been intimately in touch with these men for upwards of thirty years and I know that many of them, although they have borne the burden and heat of the day, have not had an opportunity of building up homes for themselves. To-day many of them have passed the stage in life where they can do very much work and the meagre pension which they are getting is insufficient to keep body and soul together. A number of these men are only getting fifty cents per day. Imagine a man trying to maintain himself on $15 a month in these days! At the time of the Northwest Rebellion these men did not get the land grant which was made to the military forces, and many of them think they were discriminated against in that respect. I do not wish to discuss the Force as it stands to-day further than to say that many people in the western provinces think that the old name should have been retained; but I do not want to put myself on record in that respect; rather I am trying to secure something for these men whom I know to be deserving, and I heartily endorse what my hon. friend has said.

Mr. WHITE (Victoria, Alta.): Is the minister bringing in a special vote for pensions at some subsequent date, or are they included in this vote?

Mr. ROWELL: The pensions are included in this vote.

Mr. WHITE: Then I might say a few words in support of my hon. friend from Vancouver Centre (Mr. Stevens), who has taken the matter up on two or three previous occasions. Some years ago I communicated with the Government in connection with it, but I never succeeded in accomplishing anything for the men concerned. Since the matter was brought before the House some time ago by the hon. member for Vancouver Centre an ex-Sergeant-Major of the Mounted Police called on me here for assistance. He had served twenty years in the Force, most of the time as a Sergeant-Major, and to-day he was trying to live on a pension of $18 a month. He was willing to take any position, even that of door-keeper in this building, to supplement his pension and make enough to live on. Not only was he a member of the Northwest Mounted Police, but he was also a veteran of the '85 Rebellion, and he also served as a transport driver in the South African war, rendering splendid service on all occasions, as his rank would denote; yet here is this man at 60 years of age trying to live on $18 a month! His name is Desbarres, and he is at present employed by the Militia Department at Petawawa Camp, I believe, acting as telephone boy or something of that sort. I think it is a shame that a man who has given such good service to his country should in his old age be asked to live on such a mere pittance. That is only one case. I know of other men who have served just as faithfully, but were not fortunate enough to reach the rank of Sergeant-Major, and they to-day are trying to live on $8 to $12 a month—men who have arrived at the age of 60 or 70 years. We find those men all over the Territories. I know there are a good many of them in the constituency of my hon. friend from Prince Albert (Mr. Knox), and I know there are some in my own riding. In spite of all our attempts in this House we have never been able to secure for these men a decent pension or a bonus. To-day we are giving pensions as high as $700 a year to our returned soldiers, and in many cases these veterans are just as helpless as our disabled soldiers. I hope that the minister will take this into consideration and see if it is not possible either to increase the pensions of these men or give them such a bonus that they will be no longer objects of charity. As was pointed out by the hon. member for Vancouver Centre, at the time of the Northwest Rebellion, when all the militiamen received scrip, although some of them never left the East, the Mounted Police were not similarly rewarded. They complain, and quite justly, that although they have been perhaps more highly praised than any other military organization in Canada, when it comes down to getting something tangible for their services, or even fair play, they have never succeeded in securing the same treatment as has been accorded to others serving in similar capacities. When the matter was brought up by the hon. member for Vancouver Centre on the Estimates last year, although it took the minister (Mr. Rowell) some three hours to describe the glorious record of the Force, it did not take him, I noticed, more than three minutes to assure the hon. member that his request for further assistance to the men could not possibly be met. It is no wonder that these fine old veterans are tired of praise and have reached the conclusion that something that will keep them out of the poorhouse would be more to the purpose.

Mr. ROWELL: My hon. friend in his later remarks has evidently been drawing upon a very vivid imagination. The hon. member for Vancouver Centre has correctly stated what took place when he brought the matter up a year ago. He has been indefatigable in presenting it to my attention and to the attention of the Government on behalf of these veterans of the Mounted Police, and other hon. members have also helped. I have taken occasion since the matter came up before to look into the question further, and I have come to the conclusion that there has been no sufficient ground why the Mounted Police should not have been treated in the same way as the members of the regular forces who fought in the Northwest. Requests have also been presented to the Government such as my hon. friend from Victoria, Alta. (Mr. White) has just referred to, the hon. member for Lethbridge (Mr. Buchanan) and other hon. members on both sides of the House have presented the matter to me very earnestly. I may say that within the past two weeks I asked the Commissioner of the Royal Canadian Mounted Police to report on both these questions. I received his final report on Saturday, and

it is my intention to bring the whole matter before my colleagues when we come to consider the Supplementary Estimates for this session, to see if something cannot be done to remove what I think is an obvious hardship. I do not think I can say anything more than that to-night, because I have not yet had an opportunity of consulting my colleagues since I received the final report from the Commissioner.

Mr. CAHILL: While I have no objection to an increase in the scale of pensions to ex-members of the Royal Northwest Mounted Police, I have very serious objection to continuing this large force in Eastern Canada. In 1910 the pay of this force was $283,000, as compared with $2,355,000 to-day, and the increase in maintenance is in about the same proportions. We are spending to-day for this force over $4,000,000 more than we did ten years ago, and the force really has less to do now than it had then. The other morning I saw some ninety-five of these men, mounted, pass my house on Metcalfe street. They are a fine body of men, but it occurred to me that they could be more usefully employed planting potatoes than in riding around in red coats in Ot, tawa, Montreal, or any of our eastern cities. There is absolutely no need for them; no person has asked for them. The minister and the Government may have thought that they would need them when they brought down this Budget, but I think they can do very well without them. The minister should consider saving this $4,000,000 and let the Mounted Police go back to the work they were intended to do when they were organized, and the work they did do so well. Instead of hunting for worms, let them get back to the fishing that they are required to do. The minister tells that they are hunting for stills now. Well, that is not a proper occupation for these men; you can get other men for that work. The ordinary militia of Canada has largely increased over what it was in 1913-14; they are just as well able to look after the affairs of the country now as they were then. This wild rioting, and striking, and unrest, is more in the minds of the Ministry than it is in the minds of the people. All the people are clamouring for is an election which will enable them to get rid of the Ministry; if they could get rid of the Ministry they would be glad to get rid of the Mounted Police; we need neither very badly. You are wasting $4,000,000 of the people's money, placing a burden of taxation upon them that is absolutely unnecessary. I had hoped that instead of coming back with this item this year the minister would have decreased this force and demobilized it as fast as possible, retaining a sufficient number of men to carry on the work that the Mounted Police were intended for and in which they were so useful. Instead the Government is burdening the taxpayer with the cost of having these men ride around our eastern cities as a show proposition for the President of the Council. I hope that this item will not pass.

Mr. MACKENZIE KING: In the Estimates for the Public Works Department there is an item of half a million dollars for Royal Canadian Mounted Police building. This item was held over the other evening because the Acting Minister of Public Works (Mr. J. D. Reid) was not familiar with the details. Perhaps my hon. friend would give us now some idea of what is intended in that expenditure.

Mr. ROWELL: I did not know that the item had stood over as my hon. friend states. Perhaps it would be better to take it up after we have finished with this one.

Mr. FIELDING: Was there not at one time an arrangement between the Dominion and the Western Provincial Governments whereby the expenses of this force were divided?

Mr. ROWELL: There was such an arrangement, which continued from the formation of the western provinces until 1916 when, owing to the conditions then prevailing in the West, it was considered desirable that the arrangement should be terminated and that the force, which at that time was considerably depleted because of the number of its members who had gone overseas, should devote its whole time to the work of the Federal Government. At that time, which was before the United States entered the war, the patrolling of the international boundary and the exercising of certain supervision over elements in the alien population in Western Canada were considered of such importance that the agreements were terminated. Thereafter the Mounted Police ceased to exercise general jurisdiction in criminal matters and the western provinces then took over the enforcement of the criminal law.

Mr. FIELDING: I can see where the Government have experienced a difficulty in this matter, with which I have a measure of sympathy. There is no logical reason—if we are simply to be logical—why this force should exist any longer; yet I should

hate to accept that as a conclusion, because, it is a magnificent force; it has played a splendid part in the history of Canada. I regretted even to see its name qualified in the recent legislation. So long as it was doing service in our unsettled country there was no question as to the need of its services or the value of them. But with the development of the country and the creation of the provinces a new condition arose, and I imagine that the Government found themselves faced with this problem: Why should we maintain a police force for Manitoba, Alberta, and Saskatchewan and not for New Brunswick and Nova Scotia? I imagine it is out of that difficulty that we have had that new legislation whereby the force is now amalgamated with the Dominion Police. I can even imagine that the Government have tried in some way to keep the force in existence, and in that connection I am sentimental enough to dislike the idea of its being demobilized. Yet, with the creation of the provinces and with the development of Municipal and Provincial Governments who have all the resources of civilization at their command there is no longer any need for the Mounted Police. The Yukon might need it, perhaps, but there is hardly room for a very large force out there, and in the Northwest Territories I suppose there is not enough population to require very much attention along that line. I wish that we could find some useful service for the Mounted Police. I recall an incident which illustrates the value of the work which they performed in the early days in Canada. On one occasion when I was in England I met a very distinguished Englishman who had just returned from Canada, and I was asking what had impressed him most during the course of his visit. After a moment's thought he said: "Well, what impressed me most was the manner in which British law and British justice had been stamped on that new country in the far West,"—and that was the work of the Northwest Mounted Police. I do hope that the Government can find some proper work for this force to do. I do not like to see them wasting their time around Eastern Canada because it is not the work they were intended for. It is not the work that the men themselves like. They are doing it because they are asked to do it, not because they love it; not because it is consistent with their splendid history.

Mr. MACKENZIE KING: In the items of other departments of Government the details are set out at much greater length than they are in connection with this item. When we are asked to vote $4,000,000 I think we are entitled to more details of expenditure than are given here.

Mr. ROWELL: The item as brought down is, I believe, in the same form as has prevailed for many years, probably from the time the force was established.

Mr. BUREAU: But there has been an increase of $3,000,000.

Mr. ROWELL: I shall be pleased to give my hon. friend the details. The item is made up as follows: Pay of force, $2,355,-929.15; subsistence, $554,982.50; billetting, $206,875; forage and dog feed, $339,687.25.

Mr. BUREAU: For dog feed—$339,000.

Mr. ROWELL: Forage and dog feed, that is, forage for the horses and food for the dogs required in the North country. Fuel and light, $116,782.50; clothing, $300,000; repairs and renewals, $144,200.

Mr. BUREAU: Repairs and renewals of what?

Mr. ROWELL: Buildings of the Mounted Police in various parts of Canada.

Mr. BUREAU: Are those buildings going to be done away with when we get the $500,-000 for new buildings at Ottawa?

Mr. ROWELL: No, this relates to other buildings entirely.

Mr. MACKENZIE KING: I think this must relate to clothing, because there is an item further down for building repairs.

Mr. ROWELL: I will first give the main items that go to make up this amount and then I will give the details of repairs and renewals. Horses, $78,540.

Mr. BUREAU: Is that for the purchase of horses?

Mr. ROWELL: Yes. My hon. friend is aware that the Mounted Police, with the exception of the Dominion Police in Ottawa, is a mounted force.

Mr. BUREAU: I asked the question because the feed of the horses has been provided for, so that this item of $78,540 must be for remounts.

Mr. ROWELL: Purchase of remounts, yes. Ammunition, $5,420; stationery and drugs, $50,000; transport and freight, $250,-000; building repairs, $34,050; contingencies, $55,000; criminal investigation branch, $177,600; compensation, $5,000. That is compensation to men injured in the service.

Mr. BUREAU: It is very little.

Mr. ROWELL: It is a sum out of which grants are made in case a man is injured in the service. This makes a total of $4,674,066.40. The item of repairs and renewals to which my hon. friend refers relates to repairs of autos, trucks, motor cycles, motor boats, barrack furniture, horse equipment, etc. I will give the details if my hon. friend wishes.

Mr. CAHILL: Building repairs?

Mr. ROWELL: No. This is equipment. The building item is a separate one.

Mr. MACKENZIE KING: How many autos?

Mr. ROWELL: Running expenses and upkeep of 28 autos and trucks. That includes trucks used for transport in connection with the force in the West.

Mr. MACKENZIE KING: Has the minister the details of the item "pay of force, $2,355,929.15"?

Mr. ROWELL: I will give my hon. friend all the details if he wishes.

Mr. MACKENZIE KING: Yes.

Mr. ROWELL:

ROYAL NORTH WEST MOUNTED POLICE.

Estimates.—1920-1921.—Pay of Force.

| | | | | |
|---|---|---|---|---|
| 1 Commissioner.. .. .. .. .. | | | $ | 5,000 00 |
| 3 Assistant Comm. | 1 @ | $2,800 | | |
| | 2 @ | 2,400 | | |
| | | | | 7,600 00 |
| 16 Superintendents | 8 @ | $2,200 | | |
| | 1 @ | 2,000 | | |
| | 1 @ | 1,900 | | |
| | 6 @ | 1,800 | | |
| | | | | 32,300 00 |
| 80 Inspectors .. ..10 | @ | $1,600 | | |
| | 6 @ | 1,550 | | |
| | 3 @ | 1,500 | | |
| | 8 @ | 1,450 | | |
| | 1 @ | 1,400 | | |
| | 8 @ | 1,250 | | |
| | 28 @ | 1,200 | | |
| | | $86,400 | | |
| 16 Inspectors @ $1,200 for 10 months from 1st June, '20.. .. .. | | 16,000 | | |
| | | | | 102,400 00 |
| 3 Surgeons.. .. ..2 | @ | $2,200 | | |
| | 1 @ | 1,800 | | |
| | | | | 6,200 00 |
| 2 Veterinary Surg., | 1 @ | $2,200 | | |
| | 1 @ | 1,800 | | |
| | | | | 4,000 00 |
| 3 Staff Officers at Headquarters @ $300 p. annum | | | | 900 00 |
| 20 Acting Assistant Surgeons. | | | | 20,000 00 |
| Special Northern allowance to 1 A/A/Surgeon @ $1.25 p.d.. .. .. .. .. .. .. | | | | 456 25 |
| 1 Nurse at Headquarters Hospital, Regina.. .. .. .. | | | | 1,080 00 |
| 53 Staff Sergeants, 8 @ $3.00 p.d. | | | | |
| 45 @ 2.50 p.d. | | | | |
| | | | | 49,822 50 |
| 17 Staff Sergeants, 10 months from 1st June, 1920, @ $2.50 per diem.. .. .. | | | | 12,920 00 |
| 112 Sergeants @ $2.25 per diem. | | | | 91,980 00 |
| 38 Sergeants, 10 months from 1st June, 1920, @ $2.25. | | | | 25,992 00 |
| 187 Corporals @ $2.00 per diem. | | | | 136,510 00 |
| 63 Corporals, 10 months from 1st June, '20, @ $2 p.d.. | | | | 38,304 00 |
| 1,523 Constables @ $1.55 per diem. | | | | 861,637 25 |
| 382 Constables, 10 months from 1st June, '20, @ $155. .. | | | | 179,998 40 |
| 25 Trumpeters @ $1.05 p.d... | | | | 9,581 25 |
| 100 Special Constables, averaging $70 per month.. .. .. | | | | 84,000 00 |
| 50 Detectives extra pay @ $1.00 per diem.. .. .. .. .. | | | | 18,250 00 |
| 40 Rations etc., Allowance to Detectives:— 30 @ $50 and 10 @ $40 per month.. .. .. .. .. | | | | 22,800 00 |
| 200 Rations etc., Allowance to Dominion Police when absorbed:—20 Staff Sergeants @ $2.25 p.d.; 20 Sergeants @ $2 p.d.; 80 Constables, 10 years service @ $1.80 p.d.; 80 Constables @ $1.60 p.d... .. .. .. .. .. .. .. | | | | 130,305 00 |
| Working pay Non-commissioned Officers and Constable.. .. .. .. .. .. .. | | | | 24,000 00 |
| Special pay incr. (Bonus):— 105 Offi. @ $1.25 p.d.; 165 Staff Sergeants and Sergeants @ 75c p.d.; 55 Staff Sergeants and Sergeants, 10 months from 1st June, 1920, @ 75c p.d.; 1,735 Corporals, Constables and Trump. @ 50c p.d.; 445 Corporals, Constables and Trumpeters, 10 months from 1st June, 1920, @ 50c p.d... .. .. .. .. .. | | | | 489,892 50 |
| | | | | $2,355,929 15 |

Recapitulation:—

| | |
|---|---|
| Officers.. .. .. .. .. .. .. ..$ | 227,842 50 |
| N.C.O's, Constables, etc... .. | 2,128,086 65 |
| | $2,355,929 15 |

The special pay increase of $489,000 is a bonus which was allowed a year ago of 50 cents per man to the constable, 75 cents to the staff sergeant, and $1.25 to the officer, in view of the increased cost of living.

Mr. MACKENZIE KING: Is the minister reading what it is estimated will be necessary for the coming year?

Mr. ROWELL: Yes. As a matter of fact, that was the estimate at the time these estimates were prepared but I am in hopes that we will not require that amount by, perhaps, a couple of hundred thousand dollars.

Mr. MACKENZIE KING: One of the items was twenty acting assistant surgeons. What is an acting assistant surgeon and why have twenty of them?

Mr. ROWELL: Instead of appointing regular surgeons, that is, whole-time men, to the force at all the posts, it has been found more economical to appoint what is called an Acting Assistant Surgeon; that is, a man who is not required to give his whole time, but is required to render all the medical service required for the force stationed in that particular locality. He is paid $1,000 for that service.

Mr. MACKENZIE KING: Does he need both titles, "Acting" and "Assistant"?

Mr. ROWELL: He is only acting. If he were Assistant he would be a full-time officer, of full commissioned rank, with all that pertains thereto. He would be entitled to be put on the strength with full pay and allowances.

Mr. LEMIEUX: I wish very briefly to emphasize the points made by my hon. friend from Shelburne and Queen's. I have the highest possible regard for the Royal Northwest Mounted Police, and I would be very sorry indeed if the old members of that force were not looked after by the Government, but I have not been convinced by what the minister has stated this evening of the necessity of maintaining the corps in Eastern Canada at least. My genial friend from Regina (Mr. Cowan) is right when he states that in the far Athabaska district and the Yukon there is urgent need for the presence of the Royal Northwest Mounted Police. This only emphasizes what I stated earlier this evening, that the corps is not needed at all in Eastern Canada, but should be sent back to Western Canada in reduced numbers, and of course reducing the numbers would decrease materially the expenditure. I am not at all satisfied with the explanation given by the minister. He did not even promise Parliament that next year the expenditure would be decreased. We are asked to vote an item of over $4,000,000 under this head this year, without any assurance that the amount will be materially decreased next year, although the people of this country are pressed so hard to-day by taxes and supertaxes in order to maintain our credit and meet the heavy financial commitments of the country. My hon. friend is not fair to the House. He does not justify this expenditure, at least as far as Eastern Canada is concerned. Four million dollars is a great deal of money. It could be applied, for instance, to the pension fund. Our soldiers are complaining bitterly that they have not received sufficient compensation from the Government for the services they rendered abroad. Their families are clamouring for an increase in the small pension which is being handed out to them. Every member of the House receives letters every day complaining of the small pensions, yet here we are asked to spend $4,000,000 and over, for practically no useful purpose as far as Eastern Canada is concerned. I repeat that in Western Canada, even in the organized provinces where the distances are so great, the presence of the corps is justified because law and order must be maintained at all costs, and of course, the force is also required in the unorganized districts. My hon. friend could cut this item in two if he were really imbued with the necessity of reducing expenditure, but the spirit does not move him. He asks us to pass this item of over $4,000,000 when there is such a crying need for reduction in expenditures, and he does not even state that next year he will materially decrease the amount. I am sorry the Minister of Finance (Sir Henry Drayton) is not here. We all listened with rapt attention to his speech in delivering the annual Budget to the House, in which he distinctly promised that in view of the large taxation Bill which he was imposing on the Canadian people the expenditure of the Government would be reduced to the lowest possible point. If he were here, I should like to ask him what he has to say about this expenditure of $4,000,000.

Mr. CRERAR: I should like to ask the minister in charge of these Estimates how the force is distributed at the present time, the numbers in the different provinces, and the increase in the force that has taken place since 1912 up to the present time. The minister has informed us that there are over 1,800 of the rank and file in the force. That is a considerable increase if the statement of expenditure in connection with the force given by my hon. friend from Victoria (Mr. White) is correct. I think it would be of interest to the House to know where the force is located, the numbers in each province, and the increase that has taken place say from 1912 up to the present time, and if there has been an increase, why the increase has been made. I also wish to bear testimony to the excellent character of the force. There are thousands of people in Canada who have a vivid recollection of the manner in which the force maintained law and order in the western provinces in the early days. It has a standing and a record that is equalled by no similar force in the world, and it is with no idea of disparaging the force that I am asking for this information.

Mr. ROWELL: I am very glad to answer both questions, namely, that asked by my hon. friend from Marquette (Mr. Crerar), and the question presented by my hon. friend from Maisonneuve (Mr. Lemieux). First, in reference to the question asked by my hon. friend from Marquette. I have not the figures before me for 1912, but I have the figures as on the 31st of May of the present year. At headquarters here in Ottawa there are ten officers and 55 of other ranks. That probably would not be greater, in fact, it is probably less, than the number at the headquarters at Regina plus the Dominion Police headquarters staff here and the staff of the Comptroller's office. There is no increase in the force in that respect. So far as there is any change, it would be a decrease. In the Yukon district there are three officers and 44 of other ranks. In British Columbia there are 9 officers and 274 of other ranks. That is wholly new. In 1912, the work of the force had not extended into British Columbia, and we had no men there at that time, but the work of the force has been extended to that province in the last couple of years. Alberta is divided into two districts. In Southern Alberta there are 10 officers and 293 of other ranks. In Northern Alberta, which extends right up to the Arctic ocean and includes all the posts up the Mackenzie river and two on the Arctic ocean—I may say in passing we have recently established a new post on the Arctic ocean at the mouth of the Copper Mine river, in the extreme north right at the heart of the continent—including all these we have in Northern Alberta 7 officers and 93 of other ranks. In Southern Saskatchewan, which includes Regina and the force there, we have 10 officers and 337 of other ranks.

In the Northern Saskatchewan district, which includes Prince Albert and the territory surrounding Hudson Bay we have 3 officers and 57 men. And it is not without interest to the House to know that we are about to establish a post at Port Burwell on the Hudson straits. Hon. members are no doubt aware that Canada claims the Hudson Bay as territorial waters of the Dominion of Canada, and it is the intention of the Government to establish a post at the point I have mentioned where customs revenues will be collected and sovereignty will be exercised in the name of the Government of Canada. In Manitoba, which, for the purposes of the administration of the police force, includes that portion of Western Ontario lying between Port Arthur and Winnipeg, we have 9 officers and 239 men. In Western Ontario, that is to say Toronto and points west of Toronto, principally on the international boundary—Niagara Falls, Bridgeburg, Windsor, Sarnia, Sault Ste. Marie, Sudbury and Haileybury —we have 2 officers and 23 men. In the eastern district, that is here at Ottawa, performing any duties that are required, we have 8 officers and 295 men, including the Dominion Police stationed here. In the city of Montreal we have 2 officers and two other ranks. And in the Maritime Provinces, at Halifax, where the headquarters are situated, we have 1 officer and 28 men.

Mr. SINCLAIR (Guysborough): At what other points in Nova Scotia outside of Halifax are there men?

Mr. ROWELL: We have no men outside of the city of Halifax. There are one or two men who may visit other parts of the province as occasion may require. That gives the present distribution of the force throughout the different provinces.

I may say a further word in answer to my hon. friend from Maisonneuve, who says that there is no occasion for a force in Eastern Canada and that they should go back West. At least in recent years, and I presume ever since Confederation, we have had a federal police force known as the Dominion Police, of which Sir Percy Sherwood was for many years the efficient head; and when that force was amalgamated with the Mounted Police it was composed of about 182 men. We have always had a force in Eastern Canada, and there is no object in having two federal police forces with independent heads and all the expense incidental to a dual administration. No matter what the strength of the force may be, it is a matter of prudence and economy to have the federal police forces under one head with one administrative staff. While it is true that the official staff, the commissioner and his assistants, had their headquarters at Regina, the financial affairs of the force were always administered from Ottawa. The direction came from Ottawa, and, as my hon. friend from Regina has pointed out, the change is not so substantial in that respect as my hon. friend suggests. My hon. friend says that the duties of the force are not as great as in the past. Many of the duties which the force performed in the past are now being performed, it is true, by the provincial police forces, but there is a reason, which I think I made clear in my opening statement, why the force should be maintained at a substantial strength. In addition to the specific duties enumerated,

I mentioned the fact that the Mounted Police constitute a reserve force to come to the assistance of the province, if they so desire, for the preservation of law and order. The force was increased when the war was over by the return of men from overseas who belonged to it. It was also increased by recruiting, and the Government, for a reason which I shall state to the committee, takes full responsibility for that increase. The members of the Canadian Expeditionary Force who returned to Canada were exceedingly anxious to be demobilized at the earliest possible date. They desired to get to their homes in Canada, and the Government felt that it was its duty to permit their demobilization and allow these men to return to their families. The militia force of Canada had been disintegrated by the natural and inevitable operations of the war. Men had enlisted and gone overseas, and the militia units had been practically disbanded by reason of the complete disorganization. But one of the primary obligations resting on a government in a country such as this, extending from Atlantic to Pacific and embracing such a wide area, is always to have in existence a force, not very great but adequate to maintain law and order in the land in any emergency that might arise. That is the duty of the Government; and at a time when we had no effective militia, because the militia could not be reorganized at once, and when we had no effective permanent force, whose reorganization must be a matter of time, the Government believed that it was its duty to utilize the Mounted Police, with all its splendid traditions, by recruiting it up to the strength which Parliament had authorized, in order that we might have in Canada a force at the disposal of the Governments concerned for the preservation of law and order throughout the country. Now, I think that so soon as the militia is definitely reorganized and put upon a sound basis and the permanent force is put in shape, so that we may return to pre-war conditions, the strength of the Mounted Police can be decreased.

Mr. LEMIEUX: When?

Mr. ROWELL: Whenever the condition I have stated comes about.

Mr. LEMIEUX: You doubled the militia.

Mr. ROWELL: No; my hon. friend is mistaken.

Mr. LEMIEUX: Last year.

Mr. ROWELL: Last year Parliament authorized an increase in the permanent force. The militia throughout Canada, I am sorry to say, has not been fully reorganized. It takes time to build up what has fallen to pieces as a result of the war, but we shall have it reorganized in time. Provision has been made to this end, but so far there has not been any extensive reorganization, and until that time comes it is the duty of the Government to maintain an efficient force such as the Mounted Police as a reserve available in case of emergency for the preservation of law and order. My hon. friend asks when the amount of the vote will be decreased. I have not promised a decrease for next year though I hope it may be possible to come down next year with a smaller estimate, but I cannot give any guarantee that I shall be able to do so, because I do not know that the conditions to which I have alluded will be so changed within the year as to warrant a smaller vote. Certainly I look forward to a reduction within two years at the outside, and I hope that next year we shall be able to reduce the vote for the Mounted Police.

Mr. MACKENZIE KING: There are some figures here which I think it is important to bring to the attention of the committee. I have before me the Estimates for 1910-11 for the Royal Northwest Mounted Police. That is just ten years ago, and the amount voted then was $753,000. Today we have a vote of $4,674,000 in addition to $500,000 for the buildings that it is proposed to erect during the coming year. From $753,000 to over $5,000,000 is a tremendous increase.

Mr. PECK: Do the figures include the cost of the Dominion Police as well.

Mr. MACKENZIE KING: I was just going to give that figure next. The amount required for the Dominion Police in 1910-11 was $55,000, which amount, added to the $753,000, makes a total of about $808,000 altogether for Dominion Police and North-West Mounted Police. Now the item jumps to over $5,000,000 including the $500,000 for the buildings to be put up this year. One can understand that during the war there may have been reasons for voting special sums for police and for increasing the police force, but I think the country should be definitely informed by the minister whether the Government contemplates increasing this force or very considerably reducing it. My hon. friend said a moment ago that he hopes in another year to bring down a decreased Estimate. That is hardly sufficient, because we shall be asked when we come to the Estimates of the Department of Pub-

lic Works to vote half a million for buildings this year. Unless the Dominion Police are to take the place of the police of the different provinces altogether, it is very questionable whether we should enter upon these large expenditures particularly at this time. If the Government contemplates that this force will gradually be a diminishing body as the country gets more settled and each province looks after the maintenance of law and order within its borders, it is very questionable whether we should create a big establishment at Ottawa as a centre for the Dominion Police at the cost of the amount of money which we are being asked to vote.

There is another figure to which I would like to draw the attention of the Government. In 1910-11 the total amount asked for the Department of Militia and Defence, chargeable to income, was $6,876,700. That was all that the country was paying for Militia and Defence. Now we are being asked to vote for Mounted Police $4,678,000, or over two-thirds of what in 1910-11 was required for the whole militia of Canada. It looks as if the Government were trying to make a standing army out of this police force, only calling it police instead of militia or an army. It is under the direction of the Ministry, the Administration can use it in any way they like and send it here, there and everywhere as it suits the policy of the Government. This looks like a far-reaching addition to the public expenditure at a time when we ought to be economizing.

Mr. ROWELL: I would like to point out to the hon. gentleman the difference in the cost of all commodities at the date which he has mentioned as compared with the preseent time. At the time referred to by the leader of the Opposition the pay of the men was sixty cents a day; to-day a constable's pay is $2 a day. Will the hon. member say that the pay of the members of the force is too high. The cost of a constable's clothing, his preliminary outfit was $54 then; to-day it is $150. At that time the cost of the rations of the individual constable was 22 cents per day; to-day it is from 71 to 75 cents per day. At that time hay was bought for $7 or $8 per ton; this past year we have had to pay as high as $50 a ton, and the average was approximately $30 per ton last year. This enormous increase in the cost of everything accounts for the increased cost of the administration of the force, and it applies to the increased number of the force. My hon. friend has said that I should give some more definite assurance to the committee as to reducing the strength of the force. I have explained that one reason for bringing the force up to the present authorized strength, or for greatly increasing its original authorized strength was that, pending the return to more normal conditions when we should have a real militia force in Canada the Government did feel it essential to have a force in Canada which would be available for the preservation of law and order. We will come to the day when the force will be reduced. There is no intention of keeping the force permanently up to the high figures authorized last year. The force will be brought back to more moderate dimensions so soon as the conditions that I have referred to have again become normal. With reference to the future of the force, here is the question with which we are faced. It is

10 p.m.

essential to maintain a police force for certain purposes. It is essential to maintain it for the Yukon and Northwest Territories. It is necessary to have a federal police for certain important purposes that the federal police have served during all these years. In addition we must have some force as a reserve for the maintenance of law and order. We can choose between having a permanent military force of a certain strength which the Government might consider adequate to our needs in Canada, or of preserving this force at a substantial strength. I do not think any member of the House will say that we should have no force in Canada. We must have some force. The question is whether it is wiser to have a military force of a greater strength or to have a smaller military force and keep up the Mounted Police for the purposes of a reserve force as well as for performing the necessary police duties. My own personal view is that it is better to have a larger Mounted Police force and a smaller military force than we otherwise would require. Hon. members may not agree with that but that is my view and that is the view that the Government has acted upon. Another Government might reach a different conclusion. It might consider it desirable to make this force a part of the permanent military force. We did at one time discuss that proposal but we came to the conclusion that the Mounted Police is a better force for preserving law and order than either the militia or the permanent force. With the splendid prestige they have the fact that they are in a community—the very fact that they are there—tends to preserve law and order

without their being called upon to exercise their functions as policemen.

Mr. VIEN: The minister gives us his reasons for the increase in the strength of the Royal Canadian Mounted Police. The first is the social unrest that exists in the country; the second is the disorganization of the Canadian Militia and the necessity of having some organized body to maintain law and order; the third is the necessity of having an increased Mounted Police for service out West. I think that this information is not at all in accordance with the facts. The President of the Privy Council (Mr. Rowell) stated that since the war the Canadian Militia had been disorganized. May I tell the House and the hon. minister that at no time in our history has there been such a considerable military force in this country as at present. We always had 25,000, 30,000 or even 50,000 men training during the whole period of the war and for several months thereafter. As soon as the war was over the then Minister of Militia (Mr. Mewburn) asked the House to vote an increase in the Permanent Force, and eighteen months ago the strength of that Force was raised from 5,000 to 10,000.

Some hon. MEMBERS: No.

Mr. VIEN: Hon. members say "No." I want those hon members to stand up and tell me what was the strength of the Permanent Force in 1914, and what it was when we increased it about eighteen months ago.

Mr. MEIGHEN: We did not increase the Permanent Force; it was only the authorization that was increased. The Permanent Force to-day is not as much as 5,000 men.

Mr. CALDER: The last figures I obtained about three weeks ago indicated that the strength of the Permanent Force was in the neighbourhood of 3,500. As the Minister of the Interior (Mr. Meighen) says, while the Act of Parliament was put through authorizing an increase up to 10,000, no authority has ever been given to make that increase. If I am not mistaken, authority was given to recruit up to 5,000, but even on that authority only 3,500 men have been recruited.

Mr. VIEN: The hon. gentleman will see by a reference to the Militia List that the number of officers has been increased for a Force of at least 10,000 men, and in so far as the number of actual recruits is concerned, I take it for granted that it is the intention of the Government to bring the Permanent Force up to strength, otherwise they would not have asked the authority of Parliament for so doing.



Mr. MEIGHEN: Oh, no.

Mr. VIEN: At any rate, the amount asked from Parliament in these Estimates for the maintenance of the Permanent Force is more than double what it was in 1914, and even if it was not actually carried out, it was surely the intention of the Government to increase it, since they asked authority for so doing. But even granting that the actual recruiting of the Permanent Force—

Mr. MEIGHEN: Why does the hon. member assume that the Government intends going to the limit of its authority? That all depends on circumstances.

Mr. VIEN: I assume—

Mr. MEIGHEN: But why?

Mr. VIEN: —that when the Government comes to Parliament asking for authority it is serious in so doing.

Mr. MEIGHEN: Certainly.

Mr. VIEN: And therefore it would not ask for authority which it does not intend to use.

Mr. MEIGHEN: Certainly it might. It all depends on whether the circumstances require the authority to be used. It does not need to be used unless the circumstances demand it; they have not so far demanded it.

Mr. VIEN: The ex-Minister of Militia (Mr. Mewburn) when giving to this House the information required from him in asking authority to increase the Permanent Force, said—

Mr. MEIGHEN: No, he did not.

Mr. VIEN: Surely the hon. minister will not tell the House that the ex-Minister of Militia did not ask authority to increase the Permanent Force?

Mr. MEIGHEN: Yes?

Mr. VIEN: Well, that is what I am saying.

Mr. MEIGHEN: I thought you said he did not.

Mr. VIEN: And when the ex-minister asked authority to increase the strength of the Permanent Force, he said he was bound to increase it on account of the men discharged from the Canadian Expeditionary Force, who would have to be taken on the strength of the Permanent Force.

Mr. MEIGHEN: I do not think so.

Mr. VIEN: He said so I was present at the time.

Mr. MEIGHEN: You misunderstood him.

Mr. VIEN: It was one of the explanations given by the ex-Minister of Militia to obtain authority to increase the strength of the Permanent Force.

Mr. MEIGHEN: I think you misunderstood him.

Mr. VIEN: The hon. gentleman takes it for granted that I misunderstood the ex-Minister of Militia. I may take the same liberty and say that the hon. minister did not understand his former colleague.

Mr. MEIGHEN: Well, just quote him.

Mr. VIEN: At any rate, there was surely a purpose when the Government asked for such authority. The explanation given to the House was that it was necessary to increase the strength of the permanent force.

Mr. MEIGHEN: It might be necessary.

Mr. VIEN: All right, if the hon. minister likes that form better. I fail to see why it is necessary to have in Ottawa 8 officers and 225 men of the Canadian Mounted Police. The hon. minister (Mr. Rowell) says that in addition to the reason that the militia is disorganized, we must also provide assistance for the civil authorities when necessary. The hon. gentleman is aware that when any disturbance occurs the civil authority can call out any regiment of the active militia, and he is also aware that the civil authority can call upon the permanent force to come to their assistance. Therefore, I completely fail to see what was the necessity of stationing in Ottawa this detachment of the Mounted Police, and in addition building headquarters for the force at an expenditure of over $500,000. It seems to me that at this period of retrenchment and economy the action of the ministry is in absolute contradiction of the statements made by the Minister of Finance. In the old provinces the matter of police has been left to the provincial authorities, it being one of the duties of Provincial Governments to maintain law and order and to have a provincial police force for that purpose. I do not believe that the unrest which the hon. member described to the House has been manifested either in the Maritime Provinces, in Quebec, or in Ontario.

Mr. LEMIEUX: Except in by-elections.

Mr. VIEN: Maybe; but even in by-elections I think if only legal and proper methods were adopted there would be no necessity of organizing such a corps. Under normal conditions no federal mounted police force is necessary to maintain law and order in the older provinces; and I think the minister completely failed to establish to the satisfaction of this House that there is any urgent necessity for the organization of this force either in this city or in any other part of Ontario, or in the province of Quebec, or in the Maritime Provinces. The first retrenchment we could make would be that of saving the $500,000 which is now asked for a building for the Mounted Police in Ottawa. It would be easy also to economize at least a million dollars in the reduction of the force to the extent of all officers and men now in service in Ontario, Quebec and the Maritime Provinces. I for one will oppose the expenditure of $500,000 for a headquarters building in Ottawa and such amount as is asked for to maintain the force in the old provinces.

Mr. SINCLAIR (Guysborough): My hon. friend is now asking for $4,674,066, whereas the expenditure during 1919, according to the public accounts, was only $719,142.73. I want to place myself on record as being opposed to this very large increase. It is unjustifiable; so far as we can judge from the sentiment of hon. members, no one wants this police in Eastern Canada. My hon. friend from South Cape Breton (Mr. Butts), who represents the most populous district in Eastern Nova Scotia, has put himself on record against the police operating in that province. The minister tells us there are twenty-one of these officers and men in Halifax. These men are not required in Halifax, and I think that is the sentiment in all the Maritime Provinces as well as in Ontario and Quebec. These police officers and men are forced on the people by the Government at a time when money is hard to get; taxes are being levied on the people to meet an expenditure which is absolutely unnecessary. My hon. friend has repeated over and over again that these policemen are required for the purposes of law and order. But as I understand the constitution of this country it is the duty of the provinces, not of the Federal Government, to preserve law and order in the provinces. The Federal Government are assuming a duty that they do not require to assume; that the provinces are not asking them to assume; that the provinces themselves are well able to take care of. My hon. friend has said also that the cost of

maintaining the police has increased enormously during the last few years; that sixty cents was the daily pay of a policeman some years ago, and that the amount is now two dollars. Well, that is one reason why the force should not be increased. Why pay two dollars a day for policemen and all the expense of their maintenance if they are not needed? I repeat that this force is not required in Eastern Canada, and in all that the minister has told us to-night he has not justified the expenditure so far as that part of the country is concerned.

Mr. GRIESBACH: The hon. member (Mr. Sinclair, Guysborough), and the hon. member who preceded him (Mr. Vien) made it quite clear, as the fact is, that the maintenance of law and order is a duty resting upon the Provincial Governments. But aid to the civil power is a responsibility which is laid upon the Federal Government, that aid taking the shape of the furnishing of armed forces of some sort. Hon. gentlemen opposite have said that in the event of internal disturbances of any kind it would be the duty of the civil power to call upon the active militia or the permanent militia to render that aid which the civil power is entitled to expect from the Federal Government. Well, the war has resulted in complete disorganization of the active militia. The active militia was in due course drafted into the expeditionary force; the expeditionary force has been disbanded; there is no active militia in Canada to-day. There is not an organized unit in the active militia of more than one hundred men. There are not one hundred organized men in Ottawa to-day. The Federal Government, therefore, could not, if it had to depend on the active militia, respond to a claim for aid to the civil power. And notwithstanding the increase which has been authorized, the permanent militia is no stronger to-day than it was before the war. The responsibility is upon the Federal Government to respond with a force of some sort. It chooses to take this particular measure in order to be ready to respond to the demand which it is legally liable to respond to; hence this proposal.

Mr. LEMIEUX: Does not my hon. friend think that all the unrest in Canada has passed away and that we are now living under normal conditions? My hon. friend is a gallant soldier; he knows that many returned soldiers are anxious to get from the Government a better pension. I have letters in my pocket even now, one received this evening from a gentleman who rendered most valuable service during the war. I will read one sentence from that letter to show that there are crying needs elsewhere to which the money of this country could be applied rather than to the maintenance of a force which, honourable though it may be, traditional though it may be, is not needed, at least in this section of the country. Many members have received letters worded like this:

> Dear Mr. LEMIEUX:
> The call was given; our services sought, we answered and gave up everything; have suffered everything,—yes, sacrified our all, and now we have been left to suffer the tortures of hell through physical and financial exhaustion.

I shall not give the name, Mr. Chairman, but every member receives letters of this kind every day from returned soldiers, returned officers, from widows, from orphans.

Now, $4,000,000, or even $2,000,000, would go a long way towards helping those poor people who, as my correspondent says, have given their all for the flag, the King and the Empire. Yet, we are giving a picayune allowance to those returned soldiers and to the widows and orphans, and we are spending $4,000,000, for which my hon. friend cannot give a reasonable explanation and for the reduction of which expenditure he does not make any formal promise. We are called upon by the Minister of Finance (Sir Henry Drayton) to exert our best efforts to incite the Canadian taxpayers to accept the last Budget with the best possible grace. He promises the Canadian people that he will survey the various items of expenditure and that every item will be subjected to the most careful pruning. Yet, with a little waving of the flag, my hon. friend tells the committee: We have to maintain law and order until normal conditions prevail. With all due respect to my hon. friend, I maintain that the period of unrest has passed and that Canada is living under normal conditions. In fact, this country is doing far better in that respect than most of the other countries which have passed through the war. Really, it is most discouraging to stand by the Budget and by the Minister of Finance, in inviting the Canadian people to accept the heavy taxation Bills, and on the other hand to have another minister of the Crown spending, without any good cause, $4,000,000 for a useless force in Eastern Canada.

Mr. VIEN: What is the average cost per man for the maintenance of the Mounted Police?

Mr. ROWELL: Between $1,700 and $1,800.

Mr. VIEN: What is the total force in Ontario, Quebec and the Maritime Provinces?

Mr. ROWELL: That is all included in the statement which I have already given and put on Hansard, and my hon. friend can see it there. My hon. friend (Mr. Sinclair, Guysborough) asks: Why is the amount so much higher than the expenditure for the year 1918-19? During the year 1918-19, approximately 1,000 of our Mounted Police were serving in the war, and the strength of the Force in Canada was reduced to its lowest point in recent years. I think it got down to about 300. The men who were serving overseas were paid as soldiers out of the moneys provided to pay our forces at the front, and, therefore, we did not have to provide the amount in this Estimate. The fact is that we are providing in this Estimate for a force at least four or five times as strong as the force that was maintained in Canada in 1918-19 out of this appropriation, not the total force, because so many men were overseas. The additional amount is due to the increased cost, higher pay and increased cost of subsistence since then. My hon. friend (Mr. Vien) states that I did not accurately represent the situation. I know the facts and I accurately represented them to the committee. The Minister of Immigration (Mr. Calder) and the Minister of the Interior (Mr. Meighen) have told my hon. friend about the strength of the permanent force, and the former Minister of Militia (Mr. Mewburn) if he were in the House, would confirm the statement. While he took authority to increase the permanent force, if necessary, to 10,000, he believed it was in the national interest to bring the Mounted Police Force up to a reasonable strength rather than to increase the permanent force as much as he was authorized to increase it. It was part of his recommendation that this force should be increased up to the strength authorized rather than that he should bring the permanent force to a much higher strength. He thought it was more in the interest of the country to have the police force strong than to have such a large permanent force.

Mr. DENIS: I was much interested to see the hon. member for Lotbinière (Mr. Vien) take the place of the hon. member for Maisonneuve and Gaspé (Mr. Lemieux) when the latter sat down, but I should like to hear what the minister has to say in reply to the hon. member for Maisonneuve and Gaspé.

Mr. ROWELL: If my hon. friend had been in the Chamber, he would have heard my reply. It is hardly right, as each new member comes into the Chamber, that I should be asked to repeat an explanation which has already been given more than once. We are anxious to get through with the business of the House.

Some hon. MEMBERS: Question.

Mr. VIEN: Some hon. members are calling "question." Will they be good enough to be a little patient until we are through with this? The hon. member for Edmonton West (Mr. Griesbach) informed the committee that the militia had been disorganized and that it was very necessary to increase the strength of the Mounted Police so as to ensure the necessary help for the civil authorities in case a disturbance should occur. I might answer my hon. friend by stating that no disturbance has arisen since the war ceased, and it is almost an insult to the peaceful and law-abiding population of the older provinces to claim that there is a great unrest and that, unless this constabulary force is maintained and increased in strength, some uprising will occur which will imperil law and order and peace in our country. Moreover, supposing a local disturbance should occur, the permanent force of Canada, which is at present, if we take the figures given by the Minister of the Interior, over 3,000 in strength is more than enough to maintain law and order in the older provinces of this Dominion. If we take the figures given by the President of the Council (Mr. Rowell), if a Mounted Policeman costs to this country in round figures $1,800 per annum, the 300 men or more who are maintained in Ontario, Quebec and the Maritime Provinces, would cost this country $540,000 per annum. It would be good economy to cut this $540,000 item from the Estimates submitted to the committee as well as the $500,000 item which is asked in order to build headquarters for this police force at Ottawa. I would, therefore, suggest to the minister that he reduce the strength right away by the number which is maintained in the older provinces and that he should also do away with the item of $540,000 which is asked for the building of headquarters in Ottawa, thereby saving the country over $1,040,000 which could be applied elsewhere towards the reduction of our debt.

Royal Canadian Mounted Police Buildings, $500,000.

Mr. ROWELL: This item is in respect of buildings at Vancouver, and Ottawa. We have purchased a property in the city of Vancouver on Shaughnessy Heights, where the police are now stationed. There were not sufficient buildings on the ground for the full accommodation of the police and their horses, and we have to make provision for the erection of quarters for the officers and for the necessary stables. The estimated expenditure for the completion of the buildings at Vancouver is $98,000.

Mr. LEMIEUX: Have tenders been invited?

Mr. ROWELL: The matter is in the hands of the Public Works Department. They are proceeding in the usual way, but whether they have actually called for tenders or not I cannot say. The balance of the expenditure is for the quarters here in Ottawa. It will involve the erection of the necessary barracks for the men, an administration building, quarters for the officers and non-commissioned officers, and stables.

Mr. LEMIEUX: Where are the men quartered at present?

Mr. ROWELL: At Howick Hall. The balance or $400,000 is not an estimate of the exact cost of the Ottawa buildings because at the time we did not have a site available on which to erect the buildings, and therefore it was not possible for the Public Works Department to give us a detailed estimate of what the cost would be. Therefore, so far as the Ottawa buildings are concerned, it is a lump sum estimated at approximately $400,000. One naturally cannot say what the final expenditure will be until the places for the buildings have been finally settled upon and tenders called for, but that was the general estimate formed at the time as the probable cost of the buildings.

Mr. VIEN: Therefore it is the intention of the Government to maintain permanently in Ottawa 225 mounted police?

Mr. ROWELL: It is the intention of the Government to maintain a force here in Ottawa. Let me say that the Government has always had a force of federal police here. These they do not require to provide barracks for; they have not done so in the past. Every government of this country has had a federal police force in Ottawa. When my hon. friends talk about not having a Dominion police force in Eastern Canada they are going directly contrary to the whole history and policy of governments in this country. Is there any government in the world that has not a police force of its own? This Government has always had a police force at Ottawa, under Sir Percy Sherwood of late years. It is the Government's intention for the time being to maintain here a force of approximately 160 mounted police. The figures I gave to which my hon. friend referred included the old Dominion police and the new men who have come in.

Mr. VIEN: How many mounted policemen are there in Ottawa at present?

Mr. ROWELL: There are 160 men and 5 officers. That is the strength of the force at Howick Hall.

Mr. VIEN: Which was not maintained in Ottawa before?

Mr. ROWELL: Which was not maintained in Ottawa before. It is not the intention of the Government to maintain a portion of the permanent military force here. At least that is the present view. If the Government should ultimately decide not to have a squadron of the Mounted Police here, the buildings erected would be suitable for any portion of the Permanent Military Force that should be stationed here. The view of the Government is that there should be a company at least of the permanent military force or the Mounted Police here at the capital city. I do not know of any government that has not some force under the control of the federal authorities in proximity to the capital city. That is the reason why the Government decided on the erection of suitable accommodation for a force of 160 men.

Mr. MACKENZIE KING: Has any site been obtained?

Mr. REID (Mackenzie): Are the officers' and the married men's quarters at Regina still occupied?

Mr. ROWELL: Regina is the training depot for Western Canada and there is a squadron at Regina with its officers. My information is that the officers' quarters there are occupied by the officers.

As to a site at Ottawa, there is a site which I think the Government can probably secure from the Canadian National Railways. That would not involve the purchase of property from private individuals. It is on the Rideau River past the Isolation Hospital.

Mr. COPP: Is the purchase price included in the $400,000?

Mr. ROWELL: No. At the time that figure was put in, it was considered we would probably be able to get suitable Government property on which to erect the buildings.

Mr. COPP: When was the site at Shaughnessy Heights, Vancouver, purchased?

Mr. ROWELL: The arrangement was made in November of last year, and the transaction was closed in the early part of the present year.

Mr. COPP: What was the price paid?

Mr. ROWELL: It was $135,000 for fifteen acres of land with the buildings upon them, which accommodate 200 men.

Mr. MACKENZIE KING: I think we ought to have an opportunity of asking the Minister of Public Works a few questions on this item before it carries. Questions have been asked with regard to the calling for tenders, for instance. This is really an item that belongs to the Public Works Department and it can only be voted in connection with these other items under the head of "Generally."

Item stands.

Progress reported.

## WAYS AND MEANS—THE INTERIM SUPPLY BILL.

On motion of Sir Henry Drayton (Minister of Finance) the House went into Committee of Ways and Means, Mr. Steele in the Chair.

Sir HENRY DRAYTON moved:

Resolved, That a sum not exceeding $68,159,519.23, being one-sixth of the amount of each item set forth in the Supplementary Estimates for the year ended 31st March, 1920, and the Main Estimates and Supplementary Estimates for the year ending 31st March, 1921, be granted to His Majesty for the years ending respectively the 31st March, 1920, and the 31st March, 1921.

The CHAIRMAN: I must point out that this resolution must have the unanimous consent of the committee.

Sir HENRY DRAYTON: This resolution, Mr. Chairman, as appears on its face, is merely a repetition of a resolution already adopted, with the exception that some of the items in the Estimates have been adopted.

Mr. MACKENZIE KING: This request of the Government is just another evidence of the delay which Parliament has had to endure in consequence of the ministry not having its business in shape so that we could meet earlier in the year and make progress. Rather strong exception was taken on this side when the Government asked somewhat earlier in the year for a sixth of the Estimates to be voted before Parliament had an opportunity of discussing the Estimates themselves. I think that the same exception might equally well be taken at the present time to granting any further advance to the Government, but I gather that if this amount were not advanced at this time it would only have the effect of considerably inconveniencing the Civil Service, not only the inside service but the service in different parts of the country. I presume that hon. members on this side of the House will acquiesce in permitting this amount to pass, but in saying this now I should like to point out to the Government, as I had occasion to do this afternoon when another item was under consideration, that this must not be regarded as a precedent for future years. Something was said, when the first advance was asked for, about there being precedents in these matters. Well, Sir, it has developed now from precedent into habit on the part of the Government to ask for these advances, and this is due largely to the fact that Parliament is called so late in the year. I was speaking a few minutes ago with the hon. member for Shelburne and Queen's (Mr. Fielding) as to the reason why the Government of Sir Wilfrid Laurier fixed the fiscal year as it did, and my hon. friend assures me that I was right when I said this afternoon that it was to enable Parliament to meet in November rather than away on in January or February. It gave time to the Auditor General to audit the accounts necessary for the Auditor General's Report, and the departments time to prepare their estimates. When Parliament met in November and proceeded with its business with despatch, the items required for public busines could for the most part be passed before we reached the end of the fiscal year. I want to say, not by way of threat but simply that hon. gentlemen opposite will understand the position of the Opposition, that if the Government of the day should by any possibility be in office next year we shall not be willing to make these advances. We shall expect the Government to call Parliament earlier than was done this year and to have public business sufficiently under way to enable the due control to be exercised over public expenditures which Parliament ought to have.

Mr. DENIS: I can very well appreciate the motives of the leader of the Opposition (Mr. Mackenzie King) but I am very much afraid that the reasons he has given will not convince the Government, because I do not believe that they are open to conviction. I have discussed this matter with quite a number of gentlemen on both sides of the House and without exception they all express the opinion that it is simply ridiculous to begin the session of Parliament towards spring and keep members here until the month of July. Yet the Government persists in this course, and they are so obdurate that I am afraid the leader of the Opposition has only spoken in vain in attempting to convert them.

Sir HENRY DRAYTON: I am a new hand; I might be easily converted.

Mr. DENIS: Well, so far as the Minister of Finance (Sir Henry Drayton) is concerned the remarks of my leader may prove effective. But I know that the other ministers do not take this representation seriously. They are not here to please hon. members but rather to do as they see fit and call upon their supporters, whether those gentlemen agree with them or not, to support them upon the floor of the House. But I challenge any one to deny that ninety per cent of the members on the other side of the House are not satisfied with the course which the Government obstinately pursues in calling Parliament together when it does. Every hon. member believes that it is wrong and unfair to call the session at such a time that the House is kept sitting till July. Some members have to leave for their fields and others have to attend to their various businesses. Is there any reason why the session should not begin early in January? I see no reason at all why it should not. Sir Wilfrid Laurier used to call the session in the month of November, and he was wise in doing so, notwithstanding the fact that he was criticised for bringing members to Ottawa a few weeks before the New Year instead of after. There is no reason in the world why Parliament should not convene between the 10th and 15th January each year. We quite understand that after the last general election, on account of the fact that the returns had to be brought from overseas under the law which was then in force, we had to wait until March. Consequently the Government were not to blame for beginning the session in March, 1918; it was the force of circumstances. But in the following year they had no reason to begin late. Last year there was no reason to begin the session as late as it was begun and close it on the 7th of July. This year there was no reason again for calling the session so late. We are going into the month of July very soon. It is not fair to hon. members that the Government should use their strength to adopt such a procedure against the will of ninety per cent at least of members of the House.



Mr. MACKENZIE KING: I would like to have it understood that the Opposition in concurring in this resolution will still have the right to discuss all individual items.

Sir HENRY DRAYTON: Absolutely; every single item remains the same as if the vote had not been passed.

Mr. MACKENZIE KING. Quite so. It does not take away from us the right to discuss any matter?

Sir HENRY DRAYTON: No.

Mr. DENIS: Before the resolution is passed can we get any assurance from the Government that next year the Government will not begin later than the month of January.

The CHAIRMAN (Mr. Steele): Is it the pleasure of the committee to adopt the resolution?

Mr. DENIS: No, I oppose the motion until we get an answer from the Government.

The CHAIRMAN (Mr. Steele): Is it the pleasure of the House to adopt the resolution?

Mr. DENIS: No, I oppose the resolution until we receive an answer. This resolution cannot pass otherwise than by the unanimous consent of the House. My question is a pertinent and reasonable one and it should be answered.

Sir HENRY DRAYTON: I am quite sure my hon. friend does not want to do anything that is unreasonable. I am also quite sure that he is aware that I cannot give any promise that will bind anybody. I am at one with my hon. friend in wishing for a more expeditious conduct of the business of the House and for a shorter session. Anything I can do that will shorten the session without in any way jeopardizing that full and free discussion and consideration which the different subjects we have to deal with demands, I shall be only too glad to do. After all, the great thing is to get our business through. I regret just as much as the hon. member the length of the time we think it necessary to remain here.

I am not blaming anybody, I am not excusing any one, I am simply saying that it is unfortunate that we have to again ask for another supplementary vote. The fact is we have done a good deal of work, although we have done some talking, too. I entirely agree with my hon. friend that we should have shorter sessions and that members should be able to get away at an earlier date.

Mr. DENIS: I am not rising to oppose the motion, I will give my consent to it in a moment; but I want it to be well understood that my objection was not to the length of the session; the minister misunderstands me altogether. I said the session should be called earlier in the year, not later than January, and on this point I asked for an answer. No one but the Government is responsible. I know that the minister is acting in good faith and I excuse him from responsibility from the position we are in, but surely if the Government want to make some promise they can, without endangering their position, make some promise and say that next year the session will begin not later than the month of January.

Sir HENRY DRAYTON: I hope that next year the session will commence in the month of January.

Mr. ARCHAMBAULT: Seeing that the minister is so well disposed, might I suggest that the bringing in of the Budget in the first month of the session would shorten the session?

Resolution reported.

## CONCURRENCE.

The House proceeded to consider resolutions reported from Committee of Supply.

Government shipbuilding programme—amount required for the construction of vessels in accordance with Government programme, $20,000,000.

Sir HENRY DRAYTON: We are not taking a sixth of the whole, but we are taking just the items that have been passed.

Mr. MACKENZIE KING: Is this the usual form?

Sir HENRY DRAYTON: The House has already voted a certain number of items, and this is the formal concurrence in the Estimates which have been passed and recorded by the Clerk.

Mr. MACKENZIE KING: I am sorry I am not as familiar with the procedure as I might be on this particular point. I would like to know from the minister before this concurrence is given if it has been the custom to include all the items that have been carried.

Sir HENRY DRAYTON: I have been so informed. I am in exactly the same position as my hon. friend, but I am informed this is the proper practice.

Mr. MACKENZIE KING: I thought that the minister would be content for the present with getting one-sixth of the votes. That is as much as he should ask for.

Sir HENRY DRAYTON: I am quite content to take a sixth, but I am told by the officers that this is the proper way. As far as the Government is concerned what it wants to get is the necessary sixth to carry on. If the hon. gentleman thinks that the Estimates ought to be considered as a whole and should not be concurred in as reported I do not think we would have any great objection.

Mr. MACKENZIE KING: We want to accommodate the Government but I would ask that the minister take the sixth.

Sir HENRY DRAYTON: I see no objection, but I do not pretend to know the technical rule. If we have a vote of one-sixth, that is all we want.

Mr. MACKENZIE KING: You want us to give the Government a sixth to carry on?

Sir HENRY DRAYTON: Yes.

Mr. MACKENZIE KING: We do not know whether or not the Government will last to the end of the session, but the indications are that it might be as well to allow them a sixth in the meantime.

## WAYS AND MEANS—THE INTERIM SUPPLY BILL.

Objection having been taken to concurrence in these Items, the House went into Committee on Ways and Means, Mr. Steele in the Chair.

Sir HENRY DRAYTON moved:

1. Resolved, That towards making good the Supply granted to His Majesty, on account of certain expenses of the Public Service for the financial year ending 31st March, 1920, the sum of $3,175,199.81 be granted out of the Consolidated Revenue Fund of Canada.

2. Resolved, That towards making good the Supply granted to His Majesty, on account of certain expenses of the Public Service for the financial year ending 31st March, 1921, the sum of $64,984,319.42 be granted out of the Consolidated Revenue Fund of Canada.

Resolutions agreed to.

Resolution reported and concurred in.

Sir HENRY DRAYTON thereupon moved for leave to introduce Bill No. 166 for granting to His Majesty certain sums of money for the Public Service for the fiscal years ending 31st March, 1920, and 31st March, 1921.

Motion agreed to, Bill read the first and second time, considered in committee, reported, read the third time, and passed.

## SUPPLY.

Sir HENRY DRAYTON moved that the House do again go into Committee of Supply.

Hon. W. L. MACKENZIE KING (Prince): Does not my hon. friend think we have covered sufficient ground to-day? We have certainly voted a good deal of money.

Hon. ARTHUR MEIGHEN (Minister of the Interior): I have waited a long time for this happy moment, and I would not like it to pass now. If we can go into Supply and deal with the Soldiers' Land Settlement Estimates—which have already been before the House on two previous occasions, once for half a day and this afternoon for an hour—I will not ask the House to sit longer.

Mr. MACKENZIE KING: What is the item?

Mr. MEIGHEN: No. 275.

Motion agreed to and the House went again into Committee of Supply, Mr. Steele in the Chair.

Mr. MEIGHEN: When the committee adjourned at six o'clock the hon. member for West Middlesex (Mr. Ross) asked for certain particulars as to the fees paid to law firms in Ontario. I had explained that in Ontario the old system still prevailed of employing a firm of solicitors to report on titles, paying them according to a scale of fees fixed by the Department of Justice. The firm engaged in Ontario was Messrs. Jones and Leonard, and the total fees per title in respect of mortgages averaged about $14; in respect to purchases of land and subsequent loans thereon the fees averaged $31.70. I realize that on something over 1,000 loans the total is a very considerable sum, although it extends over a period of a couple of years. Nevertheless, Messrs. Jones & Leonard have on more than one occasion asked to be relieved of the work, claiming that it has not paid them to act for the board, and it has been only at the urgent request of the board that they have consented to continue. We hope, however, to install in Ontario the same system as we have in force in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick and, I think, in Nova Scotia,—a system of departmental legal branches, by means of which we have got through our legal work at an expense approximating less than a quarter of what it has cost us under the old system.

Mr. PARDEE: Does the soldier or the Government pay that fee?

Mr. MORPHY: Do those figures contain the disbursements to the Registry Office and so forth?

Mr. MEIGHEN: No. In the first class of cases the disbursements are about $7 extra, and in the latter class of cases a little over $9 extra. The Government pays all the fees in respect to the search of title for the soldier.

Mr. CALDWELL: In regard to the amendment introduced to the Soldiers' Settlement Act, which was given its first reading on the 15th of April, according to the old Act the soldier settlers did not make any payment on interest or capital account on their stock and equipment loans until the end of the third year. Do I understand that under the amendment they will now pay interest from the date of their loans?

Mr. MEIGHEN: The board has power to exact that from the soldier settler who settles on improved land; but as respects the settler who brings new land under cultivation, he gets at least the equal of the two years, and a further concession in that his whole loan can be deferred for an extra year and no collection made upon it. That special advantage is given to the man who settles on unimproved land. But the board can, since the passage of the amendment, exact from the settler on improved land interest from the beginning, that is to say, there is no final remission of interest at all as respects that man, and though the board do not collect the interest at first, ultimately he may be called upon to pay the whole of it.

Mr. CALDWELL: Will this be retroactive and apply to soldiers who have already been settled by the department?

Mr. MEIGHEN: Not at all.

Mr. SINCLAIR (Guysborough): I suppose this is a suitable time for me to ask the minister what the views of the Government are with regard to the re-establishment of returned soldiers who are fishermen. The question was raised by me last year

and I think that some rather favourable expression of opinion was given by a member of the Government, but nothing has been done. In Eastern Canada especially a large number of our soldiers were recruited from followers of the fishing industry. When these men returned—

The CHAIRMAN (Mr. Steele): This question would be more appropriate if put when the Estimates of the Department of Soldiers' Civil Re-establishment were under consideration. We are now considering the matter of soldiers' land settlement.

Mr. SINCLAIR (Guysborough): I think I can get an answer from the Government at this time, if the minister will permit me. It is well known that these men have not been given very much encouragement in the way of re-establishment. It does not take a great deal of money to re-establish a fisherman. I am told by men who are familiar with the expenditure required that something in the vicinity of $2,000 or $2,500 would be sufficient to equip a fisherman with a boat and all the nets and gear that he requires for his business. These men are not suited to farm work; they cannot take advantage of the land settlement proposals; their business is on the sea. The fishermen are a very important part of our population in Eastern Canada, and I think that some consideration ought to be given to them. They turned out to be just as good soldiers as the men who went from the farms, and they should not be deprived of the advantage of assistance simply because they are fishermen and not farmers. Every reason that exists for re-establishing a farmer on the land exists for re-establishing a fisherman on the sea. They are both producers; they are equally important to the future of the country; and the Government should take just as much interest in the one class as in the other. True, fishermen are not so numerous as the farmers, but man to man they are just as important. I would like to know what the views of the minister and of the Government are on this question. I am quite certain that the Government have considered the matter.

Mr. MEIGHEN: There is no question as to the merits of the fishermen who are returned soldiers and as to the desirability of assisting them to re-establish themselves in their calling, if any practical means can be devised. So far the Government have launched upon a loaning system applicable only to those engaged in agricultural pursuits. That is not because those seeking to engage in agriculture are more deserving from the standpoint of the soldier than those seeking to engage in mechanics, or in fisheries, or in any other honourable pursuit; it is merely because a more practical method can be devised for assisting the first class than the latter; because more tangible and permanent security is obtained, better machinery is available and, as is generally admitted, agriculture is our basic industry. It may be pretty strongly argued that fisheries come next or very close to the next to agriculture, and that if any further branching out could be done it might well be in that direction. Consequently we have seen to it that the question of the admission of those desiring to go into fishing to the benefits of the soldier settlement scheme should be very carefully reviewed. I understand that the matter is now before the pensions and re-establishment committee of this House; that they have been and are receiving evidence and hearing the best opinion that can be heard on the subject. As that is the case and as the Government before deciding would like to hear their judgment in the matter, after full inquiry, I would not care to make any definite comitment at the present time. I would like to add this, though: that the board, though sympathetic toward the request of the Minister of Marine and Fisheries (Mr. Ballantyne) who has urged upon us and upon the board the desirability of this venture, is naturally reluctant to go further at the present time, unless, of course, the demands in the public interest are overwhelming. The pressure upon the board for assistance in agriculture has been so great and is at the present moment at so high a point that they would not like to have the numbers multiplied any more than they can avoid. They are finding it difficult indeed properly to guard the public interest and keep their organization at such a degree of efficiency as will take care of so extreme and urgent a demand as now bears upon them and have regard at the same time to conserving the treasury of the country and the ultimate public interest when amounts so huge are involved. Nevertheless the Government awaits the report of that committee; we feel that Parliament cannot with advantage discuss the subject while that report is still outstanding.

Mr. SINCLAIR (Guysborough): I am glad to know that the Government has an open mind on the question and that there is a chance of something being done. The minister is doubtful about the security the fishermen could give. I quite agree that the security of land is more stable; as some

old legal authority has said: "You cannot run away with an acre of land." That is true, but if you insure a fisherman's boat and provide him with the necessary gear, the investment is a pretty safe one—safer, in my opinion than an investment on the security of an old, run-out farm. If the soldier fails on a country farm and cannot make a living on it, the farm is impoverished, and in that respect the security in many parts of Canada is not very good. You would find quicker sale in the Maritime Provinces for a fisherman's boat, if it was kept in good order and insured against accident, than you would for such a farm as I have mentioned. Moreover, the fisherman can begin to produce much quicker than the farmer. Suppose you give a fisherman a boat to-day. The summer fishing is on now. The mackerel will be here in shoals in a few weeks; the haddock will come in November. The fisherman can begin to pay back in six months, if he is successful, as he would likely be in many cases. The farmer takes a couple of years to contribute anything at all, so that the returns would come much more quickly in the case of the fishermen, and with proper care and insurance there would not be much more risk than there is in the case of the farmer.

Mr. CURRIE: Is it not the case that most of the fishermen in the Maritime Provinces still receive every spring a subsidy under the old Washington Treaty to help them with their equipment and nets? Does the hon. member wish to give them something in addition to that?

Mr. SINCLAIR (Guysborough): The subsidy is not worth talking about; it is a mere trifle, and it belongs to the fishermen themselves. It does not come from the Government. The history of the subsidy is that many years ago a lawsuit was brought by the Dominion of Canada against the United States for trespassing on the inshore fisheries of the Maritime Provinces. I think the award given was $3,000,000, although I am not sure as to the amount. At all events this amount was placed to the credit of the fishing industry and the interest of that money which was secured to the fishermen by the lawsuit is paid in bounties each year. A fisherman with an ordinary fishing boat receives only between three and four dollars a year. The amount is not worth talking about, and besides it is their own money.

Mr. EDWARDS: What has this to do with land settlement?

[Mr. Sinclair.]

Mr. CHAIRMAN (Mr. Steele): I think the committee will make better progress if we confine the discussion to the resolution before the committee.

Mr. VIEN: How many men are employed by the board for administration in the district of Sherbrooke?

Mr. MEIGHEN: Eighteen.

Mr. VIEN: And in Quebec city?

Mr. MEIGHEN: Eleven.

Mr. VIEN: How many loans were made in the district of Sherbrooke?

Mr. MEIGHEN: The total number in Quebec is 362; in the district of Sherbrooke, 297, and in Quebec city, 65.

Mr. SINCLAIR (Guysborough): Will the minister kindly give the same information for district No. 6, Halifax?

Mr. MEIGHEN: There were 319 for Halifax up to the 27th March last.

Mr. CHISHOLM: How many men has the minister employed in district No. 6?

Mr. MEIGHEN: Twenty-two.

Mr. VIEN: Does the minister not think that this staff could be reduced? My impression—and I say this not by way of criticism, but as a suggestion—is that the staff employed by the board in almost every city is too large and could be reduced without any loss of efficiency. I am informed, for instance, that in the district of Sherbrooke, eighteen men are employed who, for the eighteen months that they have been in service, have had to deal with 297 loans. The staff seems to be very large for such little business, and the same statement applies to a large number of other districts.

Another matter which I wish to bring to the attention of the minister is this. In many instances the vendor of a property has made an agreement with the prospective purchaser by which the value has been enhanced so as to allow the soldier not to make any payment on account and even to make a profit by the transaction. I have been advised from a most reliable source that when a farm was offered for $5,000, the soldier had to pay 10 per cent on $5,000, but he would go to the owner of the farm and say: "Ask $6,000." In this way the Government would advance $5,400 although the real purchase was only $5,000. In many instances speculation of that kind has occurred. I do not know what steps the Government could take to avoid that, but the

Government could surely find some way out of the difficulty in the future, and at the same time, they should reduce the staff in many districts.

Mr. MEIGHEN: We are at the present time reducing the staff in the province of Quebec, and particularly in Quebec city. The amount of business in Quebec city does not warrant a continuation on the present scale, and we are reducing the status of that office to the rank of an ordinary supervision office, we are not making it a regular Soldier Settlement centre. As regards Sherbrooke, that cannot be done; there is considerable business at Sherbrooke, and such business as there is requires very close supervision. The staff has to deal not only with the 297 men who are settled, but with applications from many more. Just at the present time the number is higher than it will average generally, and a little later on the number will be reduced. We do not go in for keeping any staff beyond the absolute necessities of the time, and I do not think there can be found in any part of Canada a staff where the employees are not working on their tiptoes. That may be, perhaps, too strong as regards all the offices, but I do not think an office can be found where at least very satisfactory work is not being performed by all the staff.

As regards the hon. member's report that soldiers, in order to avoid the 10 per cent payment, have induced vendors to raise their prices, and, I presume, to give the soldiers fake receipts for the initial payments, thereby relieving them of that obligation, the Soldier Settlement Board and myself will be only too glad if the hon. member will furnish us with a single instance where that has been done. I am not saying this by way of challenge or by way of intimation that there has been no such case. When a board is dealing with 36,000 to 50,000 people, and is purchasing and lending money on 20,000 separate farms in every constituency in Canada, it would be only fatuous to contend that there could be no case where the ingenuity of the individual had not managed to beat out the board. I do not think there are many such cases.

Mr. VIEN: Is there a sworn statement?

Mr. MEIGHEN: We get statements from every vendor. We make him tell us where he got the land, when he got it, what he paid for it, and he has to certify to the terms at which he is selling and to the bona fides of it. In any case where there is a complaint—there is one at the present time. It has been heard before the Re-establishment Committee. We had in that very case an investigation going on before we had any report from any outside party at all. We had in that case, as we have in every case, a certificate from the man as to what he paid for the land and when he got it. I may say that in this particular case the vendor has managed to escape. I will consider it a service on the part of the hon. member if he will just give me a description of the land and the name of the vendor in any case where a soldier has managed, or is reported to have managed to have got the best of the board in such a manner as that or in any other manner, and I will give him my undertaking that it will be traced to the bottom and fitting steps will be taken to right the matter. I may say that in every case where I have endeavoured to get to details I have not always been successful. They have usually remained between heaven and earth and have not been made known to the board.

Mr. VIEN: What is the total number of officers and men on the staff of the board?

Mr. MEIGHEN: 1,321. On the 27th of March last the number was 1,321. It is about the same to-day.

Mr. J. H. SINCLAIR: That does not agree with the statement made by the President of the Privy Council (Mr. Rowell). Discussing this question on the 1st of June, in accounting for the very large increase that had been made in the Civil Service, he said:

> There has been an increase of 1,257 in the Soldiers' Settlement Board, and it was absolutely essential that that board should be manned to carry on its important work. Does anybody question that? Then there were 6,296 appointed in the Department of Soldiers' Civil Re-Establishment, which is so essential for the re-establishment of our soldiers in civil life; and 275 on the staff of the Board of Pension Commissioners. Thus there was an aggregate increase in those four departments of 8,485.

Those figures are much larger than the figures given by the minister.

Mr. MEIGHEN: They are smaller. The President of the Privy Council gave 1,257 as the number added to the Soldiers' Settlement Board. The total number I gave was 1,321.

Mr. CHISHOLM: That is an increase.

Mr. MEIGHEN: It is an increase because the whole board has been created since that time mentioned by the hon.

member for Antigonish and Guysborough (Mr. Sinclair.) I must commend the President of the Privy Council for his usual accuracy in giving those figures.

Mr. COPP: How many travelling inspectors are there?

Mr. MEIGHEN: There are 190 on the staff of supervisors.

Mr. POWER: What becomes of free grants of land made by Provincial Governments? For instance, in the province of Quebec, and I presume in the province of Ontario, soldiers are allowed to take out 100 or 160 acres from the Provincial Government. Are they in any way helped by the Soldier Settlement Board?

Mr. MEIGHEN: Oh yes, just the same as any other soldier settler. As soon as he has a proposition that appeals to the board as one that he can pay for, and at the same time make a living upon, whether he got the land by way of grant from a Provincial Government or in any other way, the board is ready to assist him just the same as any other settler. That principle applies as to Provincial Government assistance in every province of Canada.

Mr. POWER: But the title to these lands obtained from the Provincial Governments is not vested in the soldier until he has fulfilled certain conditions, a residence of five years and certain payments, and so forth. Just what stand does the board take with reference to these cases?

Mr. MEIGHEN: Of course, under our Act we cannot assist any soldier by way of loan until we get a first mortgage on the lands. I understand that in the province of Quebec arrangements have not been come to yet by which the province agrees to turn over the title of the land to the board. Until they do that we cannot under our Act give any assistance to the soldier on that land, but just as soon as they will do it we are not only ready but anxious to assist the soldier on that land the same as on any other. But we annot do it until they turn over the title.

Mr. POWER: Suppose the soldier wants to settle on land in Abitibi, Metapedia, or any other part of the province. The province has already remitted the dues in the case of the soldier, which the ordinary settler has to pay. Of course, you cannot expect the province to say: We will give you a free grant of land. The soldier must fulfil certain conditions with regard to residence and duties. I think the minister and the department ought to be able to evolve some scheme whereby these men who have obtained help from the Department of Colonization of the province could receive assistance from the board. That is true colonization, because the man is taking up new land. It is not like the settlement we are getting from the board now, where a poor farmer buys out a good one. Here is a man who wants to establish himself on the land and clear it in true pioneer fashion. This is the man we should help, but apparently we are not able to do so. Cannot the minister evolve a scheme for assisting that man?

Mr. MEIGHEN: The minister has succeeded in evolving a scheme, but the Government of the province of Quebec has not succeeded in acquiescing.

Mr. POWER: What is the minister's scheme?

Mr. MEIGHEN: In the province of British Columbia, where the resources are owned by the province, the same question arises. After considerable difficulty we managed to make an arrangement, an arrangement that we are quite ready to make along similar lines with the province of Quebec, whereby the province turns the title of these grants, which they make subject to settlement duty, over to the board in order that the board may have the security which the Soldier Settlement Act compels it to have before it can give assistance; and the province leaves to the board the determination of the completion of the settlement duties. There is no other way in which it can be done. The Government of British Columbia has now acquiesced, I am informed, and we are therefore able to go ahead and give assistance to settlers on provincial homestead lands in that province. We will be only too glad to do the same in the province of Quebec, and I appeal to my hon. friend from Quebec South (Mr. Power) to use his well-known vast influence with the Government of that province to bring them to the viewpoint of the Government of British Columbia, so that we can do for the soldiers of Quebec the same as we do for the soldiers of British Columbia.

Mr. POWER: In order to use this influence I would like the minister to explain a little more fully. Suppose the soldier in the province of Quebec goes away at the end of two years, whereas the conditions require, say, a five-year settlement. I understand that the title to the land would then be vested in the Dominion, that the land would become Crown land.

Mr. MEIGHEN: To the extent of our claim, but I understand the province has the right to pay off the claim of the Dominion and have the land revert to the province.

Mr. POWER: That is hardly likely, because in no case would these lands be worth the amount which the board was willing to pay.

Mr. MEIGHEN: Oh yes, because our money has gone into the land.

Mr. POWER: But the province would hardly pay that money back to the Dominion. They have so much land that they want to settle that they would not pay $1,500 or $2,000 or $3,000 to get that land back.

Mr. MEIGHEN: What does the hon. member think we should do? Lose the money?

Mr. POWER: Suppose the province refuses to pay the money, what happens?

Mr. MEIGHEN: We have the land.

Mr. POWER: It is vested in the Crown.

Mr. MEIGHEN: Yes.

Mr. VIEN: How many men defaulted last year on the conditions of their contract?

Mr. MEIGHEN: Only 1.71 per cent of the number of farmers.

Mr. MACKENZIE KING: When this item was up before, the minister took occasion to say that there was no foundation for the charges made by the Great War Veterans' Association of Canada with reference to the administration of the Soldiers' Settlement Act, and in that connection he made what has been interpreted as an attack upon one of the officers of the Dominion Executive. There has been a good deal of comment in the press upon what was said by the minister at the time in reference to this officer, and I wondered whether the minister had anything to say in regard to the subject.

Mr. MEIGHEN: The minister, being a lawyer, has such respect for cases that are sub judice that he would not venture to make further comment on it at the present time.

Mr. COPP: What salaries are paid the supervisors?

Mr. MEIGHEN: From $1,500 to $2,400 according to grade. We have assistant supervisors and chief supervisors. The latter, who are the best and most experienced, go up to $2,400.

Mr. COPP: And expenses?

Mr. MEIGHEN: Yes.

Mr. POWER: Has the board arrived at any decision with reference to the disposal of the Stewart farm near Quebec?

Mr. MEIGHEN: That is a farm that has to do with the Civil Re-establishment Department; we do not own it.

Mr. POWER: I was under the impression that the Land Settlement Department was training men on that farm.

Mr. MEIGHEN: That is not correct.

Mr. BUCHANAN: Has anything been done to enable the returned men to take up irrigated land in Alberta? The minister will remember that on the occasion of his visit to southern Alberta last year representations were made that assistance should be provided for soldiers to settle on irrigated land. And he will also remember that the Canadian Pacific railway had established a colony for soldiers on their irrigated section in southern Alberta, and it was meeting with success. I shall be glad if the minister will make a statement on the subject.

Mr. MEIGHEN: I am glad to say that we have decided to go as far as, if indeed not further, than I intimated on the occasion of that visit. I was indeed impressed by visiting the irrigated farms of Alberta with the possibilities of farming there, and it appeared to me as wholly unjustifiable that we should adopt any entirely negative attitude toward irrigated land, even though the prices were much in excess of ordinary land. We are prepared to assist, in accordance with the provisions of the Soldier Settlement Act, men who desire to settle upon irrigated land or upon irrigable land, on one condition, and that is certainty as to water supply. Just as soon as the board is satisfied, not that there is water available at the moment but that a water supply is certain, and that the property is not merely an irrigable one but that provision is already made to bring a sure water supply to it, then we are ready to take the hand of the soldier and help him settle on that land and afford him the assistance of the Soldier Settlement Act.

Mr. POWER: Has any suggestion been made to the board that those undergoing training in agriculture should have their salaries or wages increased to the same amount as paid soldiers undergoing vocational training?

Mr. MEIGHEN: No; we do not contemplate that. These are physically fit men who after training are probably going to get something more substantial in the way of assistance from the State, and consequently we do not think that their scale of allowances should be as high as that which is accorded to disabled men who, after they undergo a period of training, do not receive this substantial assistance. We think that the present scale is fairly reasonable under the circumstances.

Mr. POWER: Is the present scale based on the cost of living?

Mr. MEIGHEN: It has relation to the cost of living.

Mr. POWER: Is it supposed to be sufficient to keep a man and his family during the period of training?

Mr. MEIGHEN: It is not supposed to do that.

Mr. POWER: The man must have means of his own?

Mr. MEIGHEN: No, but he must have energy of his own. For example, a single man who is put out to training, who is informed that he must go and learn farming, being hired with a farmer, does not get any assistance. He gets the help that the farmer gives him; he is supposed to earn his way when he is learning to be a farmer. The married man who is doing the same work gets $20 a month, and $6 for the first child and $5 for the others, not exceeding a certain total of, I think, $25. The married man gets that by way of supplementary assistance. Those receiving training in institutions get board and free training. The married men get $35 per month, $6 for the first child and $5 for each subsequent child. The single man gets $10 a month.

Mr. VIEN: What is the length of the training period?

Mr. MEIGHEN: We give a man three months. He does not get training in higher agriculture. He is simply taught the rudiments of farming, so that he may be some good when he gets on land. The agricultural college is intended to make a good farmer a better farmer, and the course of training that is given to the man who is put on the farm is intended to make a green farmer a real farmer. As to the man who works for a farmer in order to learn agriculture, he is usually given a month first at one of these training centres in order that he may be of some use when he is on the land. After he spends his time on the land, usually nearly a year, he is then given his finishing course of two months; so that he gets a course of three months in all.



Resolutions reported.

On motion of Rt. Hon. Mr. Doherty the House adjourned at 12 midnight.

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## Tuesday, June 8, 1920.

The House met at Two o'clock.

### THE SPEAKER'S CHAIR.

#### OFFER OF GIFT FROM THE LORDS AND COMMONS OF THE UNITED KINGDOM.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): Some two weeks ago His Honour the Speaker received from the Secretary of the Empire Parliamentary Association in London the following telegram:

LONDON, May 19, 1920.

RHODES,

Speaker—House Commons,
Ottawa.

Lord Chancellor and Speaker, joint presidents and members of Empire Parliamentary Association in Lords and Commons, ask you to accept as gift to Canadian House Commons the Speaker's Chair as an abiding token of good will between both Parliaments. Suggested that chair should be replica of that in British House of Commons. Colonel Amery, Under-Secretary for Colonies, who will be in Ottawa about end of this month, is bringing photographs of British chair and will consult you.

DEGVILLE,
Commons, London.

Since then Colonel Amery has arrived in Ottawa. He has brought the photograph, which I shall lay upon the table of the House, and which will indicate that the chair which it is intended to send us is beautiful, dignified and ornate. It is my duty now to move a resolution, which I hope my hon. friend the leader of the Opposition (Mr. Mackenzie King) will second, setting forth our appreciation of this generous and thoughtful gift and authorizing the Speaker to convey the thanks of this House to the donors. It has been the custom in this House for many years in the past—I do not know how long—that the Speaker upon retiring should take with him as a memorial of his occupancy of the high office of Speaker the chair used during his term. Of course, if this gift is accepted, that custom could not very well prevail in the future.

Sir GEORGE FOSTER: Give him a photograph of it.

Some hon. MEMBERS: Hear, hear.

Sir ROBERT BORDEN: My right hon. friend the Minister of Trade and Commerce suggests that a photograph of the chair might be presented to the Speaker in lieu of the chair itself.

Mr. BUREAU: Give him a gold miniature.

Sir ROBERT BORDEN: What may be done in the circumstances would be for hon. members to decide. It may be the pleasure of the House that some memorial, possibly a chair such as has been in the past used by the Speaker, be presented to each Speaker upon his retirement. But that question does not arise at the moment.

It only remains for me to say that since the Parliament House which stood upon this site was destroyed by fire a few years ago we have already been favoured with many indications of the good-will of our brethren in the great Mother Parliament beyond the seas. This further token of good-will is but another illustration of the spirit of comradeship which prevails between the members of this Parliament and the members of the old Parliament in the United Kingdom. We are united by the ties of common ideals, of like institutions and traditions, and of a common allegiance. I hope that it may be our purpose now and at all times in the future to work with them in the best of good feeling and co-operation for the fulfilment of the aims of advanced democracy.

Some hon. MEMBERS: Hear, hear.

Sir ROBERT BORDEN: I hope that the House will accept the resolution which I now propose, and which will be seconded by Mr. Mackenzie King:

That the offer of a Speaker's Chair to the House of Commons of Canada by the Lord Chancellor and the Speaker of the House of Commons as joint presidents and by the members of the Empire Parliamentary Association in the House of Lords and in the House of Commons of the United Kingdom be most gratefully accepted, and that Mr. Speaker do inform the donors of the high appreciation of this House for the gift and particularly for the sympathy and good-will which it expresses.

Hon. W. L. MACKENZIE KING (leader of the Opposition): Mr. Speaker, on behalf of hon. gentlemen on this side of the House it affords me great pleasure to have the opportunity of seconding the motion which has been made in such appropriate words by my right hon. friend (Sir Robert Borden). If there is one thing above another which we in Canada have reason to be proud of and to be grateful for, it is that our constitution and parliamentary institutions are to all intents and purposes a replica of the constitution and parliamentary institutions of the Mother of Parliaments in the Old World. A visible sign of this great invisible reality such as is embodied in the gift it is our privilege to accept, is one of the links of Empire which make for that unity we all desire in the things which are fundamental to liberty and to the preservation of it.

Motion agreed to.

## ORDERS OF DIRECTOR OF COAL OPERATIONS.

Hon. ARTHUR MEIGHEN (Minister of the Interior): I beg to lay on the Table orders of the Director of Coal Operations. Numbers 1 to 144 inclusive, as asked for yesterday.

## REPORT TABLED.

Annual Report of the Department of Public Printing and Stationery for the fiscal year ended March 31, 1919.—Rt. Hon. Mr. Sifton.

## SENATE BILLS.

### FIRST READINGS.

Bill No. 159 (from the Senate), for the relief of Mary Oakley.—Mr. Fripp.

Bill No. 160 (from the Senate), for the relief of Margaret Elizabeth Cooper.—Mr. Mowat.

Bill No. 161 (from the Senate), for the relief of Catherine Burfoot.—Mr. Nesbitt.

Bill No. 163 (from the Senate), for the relief of Thomas Lindsay Thacker.—Mr. Blake.

Bill No. 164 (from the Senate), for the relief of John Durose.—Sir Sam Hughes.

## TORONTO UNION STATION.

On the Orders of the Day:

Mr. W. F. MACLEAN (York South): Is the Minister of Railways aware that the new Union Station at Toronto, which is being built largely at the expense, either directly or indirectly, of the people of this country, has been completed and is practically ready for occupation, but that for some reason or another the use of it is delayed? Is he also aware that the people of Toronto and of Ontario generally would like to see the splendid accommodation pro-

vided in that station for postal, express and passenger business, put at their disposal at the earliest possible date? If some legal difficulty stands in the way, I should like to know whether the Government are prepared to remove that and to give the public the use of the building?

Hon. J. D. REID (Minister of Railways): The work in connection with the new station at Toronto is not and will not be completed for some little time. The work has been delayed on account of strikes and shortage of material. The Terminal Railway Company, who are constructing this station, tell me that every effort is being made to complete it at the earliest possible moment.

## S.S. CANADIAN INVENTOR—DELAYED IN SAILING.

On the Orders of the Day:

Hon. W. L. MACKENZIE KING (leader of the Opposition): I have in my hand a message sent on behalf of some British Columbia shippers complaining about the delay in sailing of one of the Government Merchant Marine vessels. May I ask the Minister of Marine if he can give to the House any information in regard to the questions asked. The telegram reads:

> Information that steamer Canadian Inventor booked freights March-April loading has not yet sailed or any indication of sailing. Shippers have had orders cancelled on them with tremendous loss. Understand that this boat held up owing to some dispute between Government and contractors over painting boat which means at most few hundred dollars and in any case would not prevent vessel going to sea. Owing to falling market, incompetency and delay on part of Government has made tremendous loss to shippers here. Suggest you make inquiries in respect to this matter.

I am sorry I had not an opportunity to show the telegram to my hon. friend before bringing the matter up in the House. If he has any information, I shall be glad if he will give it.

Hon. C. C. BALLANTYNE (Minister of Marine and Fisheries): At the moment I have only a slight knowledge of the matter, but I shall be very glad to give the hon. member a more complete answer to-morrow. The delay is not due to anything that could be avoided by the builders. I understand it is due to the fact that a strike has existed in the shipyards at Vancouver for some time.

## INQUIRY FOR RETURN.

On the Orders of the Day:

Hon. W. S. FIELDING (Shelburne and Queen's): May I call the attention of the Government to a case in which they have, I presume, unwittingly, not complied with an Order of the House for a return? On the 19th March an Order was passed for correspondence exchanged between the Canadian and Imperial Governments, and that Order has not yet been complied with. My right hon. friend will find the Order in the Journals for the 19th March. I hope this return will be brought down.

Sir ROBERT BORDEN: What is the subject of the correspondence?

Mr. FIELDING: In a previous session, the Government had intimated that a new channel of communication had been established between the Canadian Government and the Imperial Government. The object of the motion for a return was to ascertain if that channel had been utilized.

## SUGAR EMBARGO.

On the Orders of the Day:

Mr. J. A. ROBB (Chateauguay-Huntingdon): I have in my hand a complaint from the representatives of some Canadian Mercantile houses that 80 carloads of sugar, shipped from the Acadia Refinery Company, of St. John, N.B., to Chicago, Ill., are now held up at Ste. Rosalie Junction, near St. John's, Que., and it is rumoured that they are held up on an embargo order of this Government.

Rt. Hon. Sir GEORGE FOSTER (Minister of Trade and Commerce): My hon. friend sent me a note in regard to this matter just a moment ago. I will make inquiry and give him an answer to-morrow. I may say, however, that neither at the present time nor for several months previously to this, have any export licenses been granted for the exportation of refined sugar from Canada to foreign parts.

Mr. FIELDING: There is probably a mistake in the name of the sugar company. The name of the Sugar Refining Company at St. John is the Atlantic Sugar Refinery Company; the Acadia Company operates at Halifax.

## LANDING OF IMMIGRANTS AT MONTREAL AND QUEBEC.

On the Orders of the Day:

Mr. GEORGE PARENT (Quebec West): I am informed that quite a few hundreds of immigrants are presently landing at the port of Quebec, and that owing to lack of accommodation at that port, the shipping companies, like the Canadian Pacific and

others, have been making representations to the Government that these immigrants should be allowed to land at Montreal. Is there any truth in that?

Hon. J. A. CALDER (Minister of Immigration and Colonization): Certain representations were made to the Government, not recently, but a considerable time ago, to the effect that instead of landing immigrants at Quebec, further facilities should be provided at Montreal. The reason for this was not on account of lack of facilities at Quebec, because we have very good facilities there. The matter is under consideration and as yet no decision has been reached.

## MEN RELEASED ON HABEAS CORPUS RE-ARRESTED.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX (Maisonneuve and Gaspé): I notice in the press a report that two young men from somewhere near Sherbrooke in Quebec applied recently for a writ of habeas corpus. They had been sentenced to twenty-five years' imprisonment by Mr. Justice Desy of Three Rivers, who happened to sit as a judge of criminal jurisdiction at Sherbrooke. The two young men made application through their counsel, Mr. Cabana, K.C., for a writ of habeas corpus before Mr. Justice Duclos, and the writ was issued by him. I notice in yesterday's press that by order of the Department of Justice at Ottawa the two young men were re-arrested Saturday. Would the Minister of Justice kindly inform the House if the facts as stated are true, and if so, the reasons why the writ of habeas corpus has thus been ignored. This is a very serious matter.

Hon. C. J. DOHERTY (Minister of Justice): As to the facts as stated by the hon. gentleman, I was not aware that these young men had been re-arrested.

Mr. LEMIEUX: I read it in the newspapers.

Mr. DOHERTY: I will inquire as to that. It is a fact that two men who had been found guilty of a very grave crime, and who had been sentenced to a long period in the penitentiary, were some little time ago ordered to be released upon a writ of habeas corpus by a judge of the Superior Court in the province of Quebec. Of the proceedings looking to that writ we had no notice, but I presume the Attorney General of the province was heard upon the application. The application was granted. The matter came to our attention and it was looked into. We were advised that a judge of the Superior Court sitting on a writ of habeas corpus was without jurisdiction to order the release of prisoners duly convicted by a court and duly sentenced by a court of at least equal jurisdiction. When the matter was last brought to my attention the question was then under the consideration as to what steps, if any, it was open for us to take for the purpose of having that question passed upon and determined. As I said, I was not aware that action had actually been taken, but I shall make inquiry and be in a position later to answer fully as to what has been done.

## BOARD OF COMMERCE REPORT.

On the Orders of the Day:

Mr. C. A. FOURNIER (Bellechasse): I desire to ask whether the Board of Commerce, however disabled it may be, has made a report recently to the Government, and if so, when will it be tabled, and whether hon. members will be provided with copies.

Sir ROBERT BORDEN: A report has been received. It is very voluminous, and will be laid on the table of the House as soon as possible. After that, we will reach a conclusion as to whether we should proceed to order that it be printed for the use of members.

## NEWSPRINT.

On the Orders of the Day:

Mr. C. G. POWER (South Quebec): May I inquire whether there is any truth in the report, which has obtained wide circulation, to the effect that during the present week, or at all events before the end of the session, legislation will be brought down with regard to newsprint?

Sir ROBERT BORDEN: Any necessary announcement with regard to that matter will be made in due course.

## JUDGES' SALARIES IN THE PROVINCE OF QUEBEC.

On the Orders of the Day:

Mr. JOSEPH ARCHAMBAULT (Chambly and Vercheres): May I inquire from the Minister of Justice if it is the intention of the Government to bring down legislation this session for an increase in the very inadequate salaries of the judges of the province of Quebec?

Mr. DOHERTY: The matter has had consideration. As soon as a conclusion is reached, it will be announced to the House in due course.

## CIVIL SERVICE BONUS.

On the Orders of the Day:

Mr. J. A. C. ETHIER (Laval-Two Mountains): May I be permitted to call the attention of the Government to the fact that the bonus voted by this House for the Civil Service over two months ago has not yet been paid to officials of the House of Commons and of other departments. There have been complaints in this respect. I understand that some of the branches of the Public Works Department, for instance, have not received the bonus for this year. I have been informed that the officials of the Senate received their bonus two months ago, while, as I stated, the officials of the House of Commons have so far received no bonus for this year. I should like to ask the reason for this delay, and I would urge the Government to see that all the civil servants are treated the same in this respect.

Hon. N. W. ROWELL: Evidently there are some members of the Civil Service responsible for the distribution of the bonus who are more industrious than others, judging by the situation my hon. friend has mentioned. My hon. friend will recall the fact that it was only last month that the bonus vote went through the House. I understood that all bonus cheques that had not already gone out would go out on the first of the present month, with the pay cheque for the present month. I do not know why some civil servants should not have received their bonus cheques on the first of the present month, if they did not receive them last month, but I shall make inquiry.

## LANDING OF IMMIGRANTS AT MONTREAL AND QUEBEC.

On the Orders of the Day:

Mr. GEORGE PARENT (West Quebec): I am informed that representations have been made to the Government with a view to the landing of immigrants at the port of Montreal instead of the port of Quebec. Is it the intention of the Government to choose one port rather than the other for this purpose?

Hon. J. A. CALDER (Minister of Immigration and Colonization): In reply to the question of my hon. friend, which is very similar to the question which was asked



before, at present immigrants are being landed at Montreal, but the great majority are being landed at Quebec. The question of providing further facilities at Montreal has been under consideration for some time.

## MINISTERS' SALARIES AND MEMBERS' INDEMNITY.

L'ordre du jour étant appelé:

M. D. A. LAFORTUNE (Jacques-Cartier): Monsieur l'Orateur, je désirerais savoir du très honorable premier ministre si le Gouvernement a l'intention d'augmenter le traitement des ministres. Votre humble serviteur est d'opinion que les ministres ne se rendent pas justice—

Mr. SPEAKER: Order. I must ask the hon. member to submit that question after giving notice in the usual way. It has no element of urgency whatsoever.

M. D. A. LAFORTUNE: Monsieur l'Orateur, je désirerais aussi savoir du très honorable premier ministre s'il a l'intention d'augmenter le traitement des députés et des juges. Je crois que c'est absolument nécessaire et urgent.

Mr. SPEAKER: This question is not of a character which can properly be submitted on the Orders of the Day. I have no objection to its being put if the Government chooses to answer.

Mr. BUREAU: Answer in the affirmative.

Le Très Honorable sir ROBERT BORDEN: La question que l'honorable député a posée n'est pas très urgente.

M. R. LANCTOT: Tres bien, très bien.

## WAR MEMORIAL.

On the Orders of the Day:

Hon. W. L. MACKENZIE KING (leader of the Opposition): The War Memorial Board recently presented to Parliament a report in regard to a memorial building to be erected in this country. I have been asked on behalf of the Canadian architects to inquire as to whether a report which has appeared in the press to the effect that the contract for this building has been awarded to an Old Country architect is or is not correct.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): I have no information on the subject at the moment, but if my hon. friend will let the matter stand for the time being I shall look into it.

## CUSTOMS TARIFF ACT, 1907, AMENDMENT.

On motion of Sir Henry Drayton (Minister of Finance) Bill No. 156 to amend the Customs Tariff Act, 1907, was read the third time and passed.

## BUSINESS PROFITS WAR TAX ACT, 1916, AMENDMENT.

On motion of Sir Henry Drayton (Minister of Finance) Bill No. 157 to amend the Business Profits War Tax Act, 1916, was read the second time and the House went into committee thereon, Mr. Steele in the Chair.

On section 1—amount of tax charged.

Mr. ARCHAMBAULT: Do the words "capital employed" in subsection (2) mean the original capital invested?

Sir HENRY DRAYTON: There is no change in the main provisions of the Act relating to capital employed. The change has reference to the rate, so that the tax, so far as the question of capital is concerned, will be levied exactly as it has been in the past.

Mr. ARCHAMBAULT: Has the tax been levied on the original capital invested?

Sir HENRY DRAYTON: The actual cash capital invested. This question is covered under section 7 of the main Act which provides that the capital employed in a business or an incorporated company shall be the amount paid up upon its capital stock.

Section agreed to.

On section 2—operation of Act extended for another year.

Mr. MACKENZIE KING: What is the change here?

Sir HENRY DRAYTON: The effect of the whole section is to extend the time for the operation of the business profits tax twelve months.

Mr. LAPOINTE: I wish to emphasize the point I raised the other day in regard to the exemption from taxation of companies ninety per cent of whose capital is owned by a municipality or a province. This provision undoubtedly constitutes a discrimination, and notwithstanding anything which my hon. friend may say to the contrary, its effect will be that the operations of one particular business in my own province will bring to the treasury of the country over three-quarters of a million dollars per year, while the same business in Ontario will not contribute a single cent to the public. I say that taxation should be the same in all parts of the country, and there is no reason why corporations or companies, a portion of whose capital is owned by a province or a municipality, should be exempt. When a province or a municipality enters business it should be treated in precisely the same way as an individual or a private corporation is treated. The minister says that the reason why these corporations in regard to which I complain are exempt is that they will not make any profits. Well, if that is so why put an exemption clause in the Bill? There is a clause which exempts them from paying when their profit does not exceed a certain sum. My hon. friend says that they will not have any profit because they are not conducted for the purpose of making profits. Then why do you put an exemption in the Bill? On the other hand, privately owned companies are forbidden by a section of the original law to decrease their rates, as was suggested by an hon. member the other day. Those companies cannot decrease their rates without the leave of the minister; if the minister finds that the price they are charging is too low they can be prevented from decreasing their rates. I do not see why there should be a difference between privately owned companies and public concerns.

Mr. MACLEAN (South York): I would like to say something in regard to that particular point and in regard to the operations of the organizations to which the hon. gentleman (Mr. Lapointe) has directed attention. Our organizations in Ontario are based on the idea of public service and not profit and if they have profits they distribute them amongst those who are associated with them. If the Hydro-Electric Commission of Ontario makes any profits it distributes them amongst the municipalities by means of a reduction in the rates charged for electricity. Because of that, there are practically no profits. They do not desire to build up profits but they do seek to give a public service at cost price and if that is the case why should they be taxed or interfered with under legislation of this kind?

Mr. PARENT: I have nothing to say in answer to my hon. friend from South York (Mr. Maclean), except that if the Hydro-Electric Commission is what he says it is, to the extent that they call it a company instead of a commission, I am inclined to be-

lieve that that organization in Ontario would be practically a private concern. The Government of Ontario had a right to give away whatever powers they deemed it advisable to give to a particular corporation. If it is no longer the province of Ontario that is distributing electrical power, I see no reason why this company should not be taxed the same as any other company doing business in a similar way. The province of Quebec has also a good many companies distributing power and electrical energy. The people who have invested their money in such projects paid taxes to the Government at the rate of $740,000 last year, while in Ontario, just because the Government has created a special corporation, depending to a certain extent on the province, that company will not pay a cent into the federal exchequer. That is unfair competition. If the Government of Ontario has seen fit to create a special corporation, that corporation should be a corporation like any other and be liable to pay taxes the same as any other. The answer to that contention is that such a corporation is not looking for profit. That is no reason in my opinion because if you take the profits and invest them in your own business again—which private corporations are prevented from being done by law—there is no reason why a corporation like that in Ontario, having a right to do that, should be exempted from taxes. The fact that in Ontario this corporation have a right to put their money back into the improvement of their property is no reason why they should be exempted from taxation. Take the capital they have put into the proposition, take whatever profit they have made since and then find how much they should pay into the public exchequer the same as any other private citizen or corporation.

Mr. MACLEAN (South York): The municipalities of Ontario and other portions of the Dominion have the right to use their money and their organization for the distribution, say, of water. They never seek to acquire profit in that manner. They do a large business in that way, and they have a large income. If a city owns its own water system it gives a public service but the money turn over is not profit and such an organization is not called upon to pay taxes on profits.

Mr. LAPOINTE: If they are not going to make any profit, what is the use of exempting them from the Excess Profits Tax? If they are making no profit they will have no Excess profits tax to pay.

[Mr. Parent.]

Mr. MACLEAN (South York): But the hon. gentleman is trying to make them pay whether they have any profit or not.

Mr. LAPOINTE: No, but I do not want them to be treated in a manner different from any other corporation.

Sir HENRY DRAYTON: I do not know that I can usefully add very much to what I have already said on this subject. Rightly or wrongly, certain municipal and governmental activities are looked upon as being in a different position from the activities of a private corporation, one set of activities being carried on for gain on the one hand and the other for service. This question is not merely one between what is perhaps the largest example of that doctrine in the concrete, the Ontario Hydro-Electric system and private owned companies, but it is a question between private owned companies and a very great number of our municipalities throughout the whole country. Winnipeg for example, has a very excellent electrical plant, it has a large turn over in connection with the supply of electrical power, it is carrying its investment and carrying it properly out of its rates and it is providing for a sinking fund. It is carried along exactly in the same way as the Hydro-Electric Power Commission of Ontario. I do not know that it is really necessary that the exemption should be put in but now that the question is raised, it certainly, I think, ought to stand.

Mr. LAPOINTE: Why?

Sir HENRY DRAYTON: Because I have never heard of legislation in a province taxing by right of the province the property of His Majesty as represented by the Dominion; nor have I ever heard of legislation by His Majesty as represented by the Dominion taxing the property of His Majesty as represented by the province.

Mr. PARENT: Does the hon. gentleman not realize that the minute the Government of Ontario, or any other government, parts with its rights by handing them over to a private corporation, his argument falls to the ground?

Sir HENRY DRAYTON: I would entirely agree with my hon. friend if that were the case. But that is not the case. By no stretch of imagination could a municipality be regarded as a private corporation or could the Hydro-Electric Power Commission be referred to as a private company.

It has absolutely none of the adjuncts of a private company.

Mr. PARENT: Could action be taken against the corporation itself?

Sir HENRY DRAYTON: No action could be taken against the Hydro-Electric Power Commission except on a fiat because it is recognized that it is part of the machinery of the Government of Ontario. It is not in the same position as a company. It has never been found feasible for the Crown as represented by the Dominion to tax the Crown as represented by a province or vice versa. That is a fundamental principle which I am sure will commend itself to every hon. gentleman. It is well that it should be made clear at once that concerns which are not incorporated for the purpose of profit, or concerns set on foot by reason of the action of municipalities or provinces, not for the purpose of making profits, need not do any accounting under this system. There would be no use in doing it if they never could have profits. They ought not to make profits. If they make profits it is against the whole policy which is to give the cheapest and best service after providing for a sinking fund. It can hardly be said that there is any real discrimination between a company on the one hand earning dividends in excess of ten per cent, and a municipality or a government, or a governmental commission that earns no dividends at all. the matter I think, as I said before, is entirely in the hands of these people. With much deference to the representations made by the hon. member for Quebec East (Mr. Lapointe) I am still of the view that companies need not earn excessive profits unless they want to, and they are not taxed unless they do earn excessive profits. I know of no provision of the Act which prevents them from reducing rates. Perhaps my hon. friend could refer me to the section.

Mr. LAPOINTE: Yes, subsection 6 of section 6 of the original Act, 1916.

Sir HENRY DRAYTON: But that does not do it. Perhaps I had better read the section:

> Where an incorporated company conducts its business, whether under agreement or otherwise, in such manner as either directly or indirectly to benefit its shareholders or any of them or any person directly or indirectly interested in such company by selling its product or the goods and commodities in which it deals at less than the fair price which might be obtained therefor, the minister may for the purposes of this Act determine the amount which shall be deemed to be the profits of such company for any accounting period, and in determining such amount the minister shall have regard to the fair price which, but for any agreement, arrangement or understanding might be or could have been obtained for such product, goods and commodities.

There is nothing in the world to say that these people, in the carrying on of their business, cannot reduce their costs to what the Act itself looks upon as a fair price—namely a price which will result in a gain which cannot be called excessive, a gain which will not exceed ten per cent.

Mr. FIELDING: Is the Hydro-Electric Commission of Ontario—my hon. friend of course will know—declared by the legislation concerning it to be a body corporate or is it not?

An hon. MEMBER: That is the point.

Mr. FIELDING: I am not considering the question of whether or not it earns dividends or profits. If it is declared to be a corporation, with all the powers, privileges and responsibilities of a corporation, I think it should be taxed. If it is not a corporation, if it can only be assailed by fiat as the Minister of Finance says, I think it changes the situation. If the Hydro-Electric Commission is a body corporate it is going to stand in the same position as the Canadian National Railways Company, and in the latter case, although the Canadian National Railways Company is owned by the Government, assurances have been given to municipalities, that when the Government takes possession of the Grand Trunk, under the arrangement recently made, the right of taxation by the municipalities will remain. In that case they are going to treat the Canadian National Railways, with the consent of the Government, as a private corporation, or if you like it, a public corporation. Whether it earns dividends or profits or not does not touch the point, it seems to me; the whole thing turns on the name. What is in a name? Sometimes a good deal. If this commission is declared by the legislation of Ontario to be a corporate body politic I think it should be taxed..

Sir HENRY DRAYTON: The Hydro-Electric Commission is merely a governmental commission charged with a trust in favour of the municipalities.

Mr. FIELDING: And the Canadian National Railways Company is charged with a trust by the Dominion Government.

Sir HENRY DRAYTON: I submit, with all due deference, that at any rate that is not the way in which the directors of ordinary companies regard themselves, whether

they be a railway or anything else. I have an idea that they are looking towards the fruits of an investment in which they are particularly interested, and that is something they never allow to escape their attention. In connection with the Hydro-Electric Power Commission, the real question, after all, is whose property is it. The property certainly does not belong to that commission but belongs to the Government and will become the property of the municipalities when they have paid the whole amount of the moneys which were necessary in order to create the property. The property is the property of His Majesty in the right of the province.

Mr. FIELDING: If the question is only one as to whom the property belongs, I must again use the illustration of the Canadian National Railways. The Grand Trunk railway is now virtually the property of the Crown but inasmuch as the Government have declared by legislation that it belongs to the Canadian National Railways Company, a corporation, the cities and towns of Canada are going to tax the railway property. So I think myself the minister cannot get back to the general question of whose property this is, because if he takes that view he will not allow any city or town in Canada to tax the Grand Trunk.

Sir HENRY DRAYTON: With all due deference, taxation is a matter of strict legal enactment. Ownership also is something which is determined by strict legal enactment, or contract, as the case may be. Now while it is true that the Crown may only own a share of stock in an incorporated company it is true that the company, so long as it is continued as an existing entity —owning and administering the property— may be taxed; and in the same way the principle is not offended when the Crown, instead of owning one share in a company, owns all the shares; the operations are still carried on as in right of the company. Ownership is owned by that company, and the Government are merely owners of the stock. I admit it is a technical distinction but most distinctions are technical.

Mr. BUREAU: This is a restriction.

Mr. FIELDING: I repeat my question: Is or is not the Ontario Hydro-Electric Power Commission a body corporate?

Sir HENRY DRAYTON: That commission is specifically declared to be a body corporate—

Mr. LAPOINTE: Hear, hear.

[Sir Henry Drayton.]

Sir HENRY DRAYTON:—for the purpose of carrying out the trust set out in the document. I know of nothing which vests the property in them. I know of nothing which places them in the same position as a company which would give them the right to set up a claim to the property.

Mr. BUREAU: There is a special provision in the Hydro-Electric Power Commission Act of 1917 which exempts that body from taxation. Section 12 (a) says:

> Notwithstanding anything in the Assessment Act contained, land owned by and vested in the Commission shall be subject to assessment at the actual value thereof according to the average value of the land in the locality.

Here the commission are taxed for municipal purposes. The Act goes on to say:

> (2) Subsection 1 shall not apply to or include buildings, machinery, works, structures, substructures, superstructures, rails, ties, poles and other property works or improvements owned, used or controlled by the commission, nor an easement in land not owned by the Commission, but all such buildings, machinery, works, structures, substructures, superstructures, rails, ties, poles and other property, works or improvements, owned, used or controlled by the Commission, and every such easement or right, shall continue to be exempt from assessment and taxation as heretofore.

It would appear that the land surrounding the line that they use for transmission purposes is taxed municipally; and if the municipality has the right to tax the commission why would not the Federal Government have the right to do the same thing?

Sir HENRY DRAYTON: I would have thought that there is a clear distinction. My hon. friend will see, in the first instance, this body politic has absolutely no moneys of its own whatever. It gets all its moneys—here I speak subject to correction, I have not read the statute over for a long time—from the Ontario Government. Those moneys are voted to it, or else they are moneys which are raised by bonds of the municipalities with the assent of the Government, the proceeds of which go to this commission, but of ownership, similar to the ownership of the company it has none. Its sole ownership therefore—if you like to call it ownership—is subject to the trust of the province, or the trust of the municipality. Now it is perfectly true that in so far as local lands which are in the possession of this commission are now taxable they were not there made specially taxable on the same theory that lands belonging to the Canadian National Railways are made taxable in the different municipalities through which they pass.

It would be unfair to these municipalities if they should get nothing out of it. For years they did get nothing out of it; they are now allowed to get something out of it. The province can make any law it likes imposing charges upon its property for the benefit of the municipality; we can make any law we like charging our property for the benefit of the municipality. We did so this year in connection with Ottawa. But that is a very different thing from the proposal that because a province thought fit to tax its property for the purpose of helping some of its other institutions, we for our purposes can tax provincial property.

Mr. BUREAU: The Legislature has the power that my hon. friend has mentioned. It also has the power to make itself a body corporate. When it does that it comes under the general rules applicable to all corporations. They may legislate that they will pay certain taxes on certain things, and having done so they are not exempted under the General Assessment Act of Ontario, section 12A of which provides that land owned by the company shall be assessed at its actual value, taking into consideration the value of surrounding property. Now, the Legislature of Ontario has chosen, having the power to do so, to abandon its rights as a legislature in respect to certain matters and to hand over those rights and powers to a company. If they want to finance that company or to endorse its notes, that is a different thing. If the company cannot pay its obligations the Provincial Government has to come to its rescue. But that does not do away with the fact that this commission comes under the company law of Ontario to all intents and purposes, except as regards the restrictions imposed in the statute creating the commission.

Sir HENRY DRAYTON: I should have thought it was quite clear that this commission could not possibly come within the provisions of the Joint Stock Companies' Act of Ontario. I do not think that a company which is without capital would be recognized as such by any of our companies Acts. Here there is absolutely no capital, absolutely no issue of stock.

Mr. LAPOINTE: We are not discussing the Hydro-Electric of Ontario exclusively. My hon. friend says that there is no issue of stock in that instance. Well, section 5 of the Business Profits War Tax Act exempts the business of any company, commission or association not less than ninety per cent of the stock or capital of which is owned by a province or a municipality. So there is certainly some stock there, because it is stated to be owned by a municipality or a province. Now, my hon. friend says that the fact that a portion of the stock is owned by the Crown or by the province should prevent us from taxing.

Sir HENRY DRAYTON: Oh no, it does not unless we say so.

Mr. LAPOINTE: Why should the Bill establish an exemption where ninety per cent of the stock or capital is owned by a province or municipality? If only eighty-five per cent of the stock is so owned, the tax provided for by this legislation cannot be applied. Surely my hon. friend will admit that when a company is specially incorporated for the purpose of carrying on a particular trade, whatever be the proportion of the stock owned by a province or municipality, that company is still an incorporated body absolutely independent from and different from the province or the Crown.

Sir HENRY DRAYTON: I agree.

Mr. LAPOINTE: As to the other argument of my hon. friend that this does not constitute any discrimination, I wish to point out that section 6 of the Act provides as follows:

> No deductions from the gross profits for depreciation or for any expenditure of a capital nature for renewals, or for the development of a business, or otherwise in respect of the business, shall be allowed, except such amount as appears to the minister to be reasonable and to be properly attributable to the accounting period, and the minister when determining the profits derived from mining shall make an allowance for the exhaustion of the mines.

As to the other section read by my hon. friend, I fail to interpret it in the same way that he does. The publicly owned company, as stated by my hon. friend from South York (Mr. W. F. Maclean) instead of making profits, reduces the rates or employs the profits in the development of its business, while a privately owned company cannot do that without the approval of the minister. So the consumers are suffering,—and that is the point I emphasize. The consumers of a certain article in one part of the country are deprived of a benefit which consumers of a similar article in another part of the country enjoy. My second point is this: after all, it does not speak very favourably for the publicly owned companies that the federal treasury should get three-quarters of a million dollars out of the carrying on by privately owned companies of a certain trade in the province of Quebec, whereas in Ontario corporations which are carrying on the same

business do not pay one cent to the federal treasury. On its face that is unfair.

Mr. MACLEAN (York South): While I am not a lawyer and cannot go into the intricacies of this discussion, I may point out that there is a great movement in favour of public ownership. Public ownership is designed to give service, not to afford profit, the Ontario Hydro-Electric Commission have taken over a number of private companies. Take the case of the Ontario Power Company which, before it was taken over by the Hydro-Electric, would have been liable to pay under this law a contribution in the shape of taxes. The remedy for my hon. friend's friends in Quebec, if there be discrimination, lies in the province of Quebec following the example of the province of Ontario. I make the prediction that within the next ten years the province of Quebec will own its power just as Ontario does, and we intend to acquire more power plants and to develop and administer them for the purpose, not of making a profit but of giving service, and if in giving that service there be any surplus, of devoting that surplus to a reduction of rates. Each section of the community that undertakes to consecrate its capital and efforts towards giving a public service at cost, is justified in doing that, and it ought to be encouraged. That is largely the direction in which the world is moving, namely, to turn public services over to the State or to the municipalities.

Mr. LAPOINTE: And escape taxation.

Mr. MACLEAN (South York): Perhaps to escape taxation; but to do something better, to give service at actual cost, to eliminate profits. The hon. gentleman wants to change that tendency which has manifested itself in Ontario in a number of municipalities and which it is perfectly right for those municipalities to follow. If somebody be hurt in the matter or if there be any discrimination, the fault does not lie against those municipalities or public organizations that undertake to give this public service. It is open to Quebec to do the same thing.

Mr. BUREAU: We are doing better and we do not want to go back.

Mr. MACLEAN (South York): You now are trying to lay down a law. If the people, in their organization as a municipality, or as an association of municipalities, as is the case in Ontario, undertake to give this service without profit, in order to reduce the cost and to give the entire profit to the people, they should not be subjected to a tax of this kind. If there be a discrimination, it is not their fault.

Mr. ROBB: The debate seems to be drifting into a question between public ownership and private ownership, and listening to the debate, I think that had the Government carried out the policy enunciated by the predecessor of the present Minister of Finance, there would be no room for such a discussion to-day. My recollection is that in presenting the business profits tax last session, the then Minister of Finance (Sir Thomas White) gave the House and the country clearly to understand that the business profits tax would not be renewed this year, but that it would be replaced by an income tax. An income tax is absolutely sound; every person pays; but a business profits tax does not work out to the advantage of this country. Only last week, we listened to the Minister of Finance (Sir Henry Drayton) delivering his Budget Speech, in which he clearly intimated that activity and production had been lessened during the past year. Why? Because the money that would have been used to extend business and enlarge industries was gathered in by the Government, and there was no incentive for industries to go on and extend their business. That is one reason why to-day the Minister of Finance is compelled to acknowledge to the House and to the country that there has been a lessened activity throughout Canada during the past year. The best way to avoid this controversy as between public ownership and private ownership is to get back to the promises made by the predecessor of the Minister of Finance and to do away with this business profits tax which is an injury to our industries and to Canada. Capital is very timid, and I ask the Minister of Finance how many new industries have been established throughout Canada during the past two or three years; how many new industries are being established to-day and how many industries are being extended to meet the ever increasing trade that we boast of?

Mr. BUREAU: You must except Three Rivers.

Mr. ROBB: There are practically none, and there is no justification for the argument advanced by our friends from Ontario who oppose the suggestion of my hon. friend (Mr. Lapointe). If the publicly owned and operated utilities of Ontario are not making profits, there will be nothing

to pay. All we ask is that you put them on the same basis as similar industries in the other provinces. But I go further and suggest to the Minister of Finance that at this session he should make a reassuring statement to the people of Canada that he is going to do away with a tax that is preventing the formation of new industries and the extension of old ones. The sooner that statement is made, the better for Canada, if we intend to continue developing our industries so as to meet the increasing trade that is open to the world.

Mr. BUREAU: After the statement made by my hon. friend (Mr. W. F. Maclean) about the advantages of the system that obtains in Ontario and discriminates against the other provinces, I do not want my hon. friend to think that we are specially pleading for Quebec. If, by any process of law, you are going to exempt Ontario from the payment of taxation, somebody else has to make up the amount. Supposing under the capitalization of the Hydro-Electric Commission of Ontario, they would have to pay a tax of half a million dollars, if they are exempted from paying it, that sum has to be found somewhere else. If hon. members want to speak about unfairness, there is another thing that is unfair. This commission, posing as a provincial institution, goes outside of its province and induces manufacturers to come in, with what result? I have here the report of the Canada Cement Company for the 31st December, 1919. This is what they say:

As advised in our last Annual Report, we were unable in 1918, to operate your No. 8 plant, situated at Port Colborne, on account of the failure of the power company to supply power. Since March, 1919, The Ontario power Company, which is owned by the Hydro-Electric Power Commission of Ontario, has resumed the supply of power to this plant, but we regret the power company is not delivering power in accordance with the terms of its contract, and the service given is so poor that the output of your No. 8 mill is only about 60% of normal, and therefore, its operation is not profitable. This matter has been repeatedly taken up with the power company, but, as yet, the service has not been improved. Until the power company improves the service and supplies power in accordance with the terms of its contract, we cannot look forward to the profitable operation of this mill.

If my hon. friend wants some more examples of the great success the Hydro-Electric Commission have had, let me tell him that a Mr. Cousins went to England, where he advocated the great superiority of the Hydro-Electric system of Ontario. He returned to Canada and he wanted the power. What answer did he receive? I have here a clipping from an Ontario paper, The Times, which reads:

A. M. Russell, President of Baldwin's Canadian Steel Corporation, announces that orders have been issued to Roger Miller and Son, who have a million dollar plant construction contract, to cease operations as the result of failure to secure a contract from the Hydro-Electric Commission guaranteeing an adequate supply of power to operate their plant.

Mr. BURNHAM: What has this to do with the matter under discussion?

Mr. BUREAU: This is to show that, from start to finish, the business works a disadvantage and a hardship on the other provinces, and that the law ought to be amended so that these companies should pay a tax on their capitalization, the same as any ordinary company.

Mr. BURNHAM: The only subject now before the committee is an excess profits tax. If we are going to fight out the question of private versus public ownership, let us take a day off and do that.

Mr. BUREAU: No, we had better go outside and fight it out. We are talking generally about the tax on corporations. My hon. friend was telling us that Quebec ought to follow the example of Ontario. I say: No; as long as privately-owned companies can give us as good service and perhaps better than you are getting, because our companies are never short of power, and we get it at a lower rate than you are paying. why should you want to get the Crown mixed up in this business in order to forego taxation? Where is the Government going to get its revenue if every public utility is going to be put under the control of the State? Supposing the Canadian Pacific were owned by the State, where would their tax of $6,000,000 go to? The Government would not get it, and my friends and myself and the masses of the people throughout the country would have to make up the amount.

Mr. BURNHAM: Does not the hon. gentleman prove too much when he says that the people of Quebec by reason of reduced rates from private companies get power at less cost—that is one end—and then get a profit—that is the other end? $100,000, say, for the decreased rate, and $100,000 for excess profits; that makes $200,000. In Ontario it is not the same at all.

Mr. BUREAU: You get no end because in Quebec to get a cheap rate and a profit you must have good management and economy. I have nothing to say against the Hydro Electric. They can run their busi-

ness as long as I have not got to pay for it, but the moment they are exempt I have to pay, and I say it is not right. You should not expect the other provinces to pay for the Hydro Electric of Ontario.

Mr. LEMIEUX: We have lower rates in Montreal than in Toronto.

Mr. SUTHERLAND: I am sure the people of Ontario will appreciate the apparent solicitude shown in their behalf by the hon. member for Quebec East and the hon. member for Three Rivers. Those who recall the initiation of the Hydro Electric Power Commission by the government of Ontario will recall the many arguments that were then advanced similar to those that have been made here this afternoon. It is rather remarkable that while the hon. member for Quebec East and the hon. member for Three Rivers apparently started out with the same objective, the hon. member for Quebec East is considerably in advance of the hon. member for Three Rivers, in that he admits that the consumers are going to reap the advantage in Ontario, while the hon. member for Three Rivers claims they are going to suffer by reason of public ownership. I can hardly reconcile those two views. My hon. friends need not get so worked up; Hydro Electric in Ontario cannot become liable for taxation under the Bill before the House, because there are no profits to be taxed. Consequently, it is an absolute waste of time to discuss this matter this afternoon. I think the suggestion of the hon. member for Peterborough was a good one. If hon. gentlemen opposite cannot contain themselves but have to boil over on every occasion where Ontario is in advance of Quebec. I think if we had a day off to discuss where favours are shown we could show that Ontario has contributed very generously towards enterprises in the province of Quebec. Railways, for instance, experimental farms, and some other things I might mention. The hon. member for Huntingdon pointed out that capital is nervous in this country. Oh, how much we heard about the nervousness of capital eighteen years ago when this scheme was first launched in the province of Ontario. I can tell my hon. friends that the people of Ontario are pretty well satisfied with the Hydro Electric. It is not perfect by any means, but they are endeavouring to carry out the project, and it has proven to be a great asset to this province.

The hon. member for Three Rivers referred to the lack of power for certain companies—the cement company at Port Colborne, and Roger Miller and Son Company. It is true they are short of power. Why? Because before the Hydro-Electric Commission was organized, private corporations secured control of nearly all the power that was available at Niagara Falls. There was embodied in the contracts which were made by the Government of the day with these private companies a provision that the Government of Ontario could not enter into competition with them in the development of power at Niagara Falls. These companies have been exporting, as they had a right to do, under their contracts, thousands of horse-power to the United States, and the people of Ontario suffer as a result of private ownership in this province. I believe that the Hydro-Electric has been the greatest benefit the province of Ontario has ever experienced, and notwithstanding the arguments that have been advanced by those who are opposed to public ownership of public utilities in this country it is going to continue to be a success, and a much greater success in the future than in the past. By reason of this provision that was inserted in the contracts with private companies the Ontario Government has been forced to develop power at Chippewa Falls and other places at an expenditure of many millions of dollars.

Reference has been made to the municipalities taxing the commission on the land. These lands were expropriated from the municipalities, the municipalities under the British North America Act have power to levy taxes for municipal purposes. The municipalities were originally the owners of these lands and they are simply continuing to assess the properties that have been expropriated. The Government of Ontario are simply furnishing and expending the money and charging it up to the various municipalities concerned in the undertaking, which so far has been mainly transmitting power to municipalities. I cannot see any object in continuing this discussion here this afternoon, unless it be, as I believe it is, an attempt by certain hon. gentlemen opposite to discredit public ownership in this country. They do not want to give it a fair chance. From the outset public ownership has encountered stiffer opposition possibly than any other development that has ever been attempted in the interests of the people. I admit that Hydro-Electric is not perfect; nothing is perfect; you cannot expect perfection. If the hon. member for Three Rivers and the hon. member for Quebec East, who, I understand, had this matter up at a previous

sitting of the House, are determined to go on and discuss the pros and cons of public ownership in this country, if they are going to encroach on the good nature of the House, because their attitude cannot be considered otherwise—

Mr. LAPOINTE: You are speaking much longer than I did.

Mr. SUTHERLAND:—we might just as well understand the situation, because it is certainly not the Bill before the House that has been occupying so much of their time.

Mr. LAPOINTE: You are occupying the time; I am not.

Mr. SUTHERLAND: You started it and have taken your time.

Mr. ROBB: Is the minister prepared to make a statement as to the continuation of this tax?

Sir HENRY DRAYTON: I endeavoured to make myself pretty plain on this question. The taxation was a war taxation. It was a taxation whose incidence was not capable of being applied without a good deal of unfairness. That has been developed in the debate in committee the other day, and again to-day. The tax was a rough and ready way of getting revenue at a time when rough and ready methods were necessary, and, after all, it did bring into the treasury a large amount of the profits which were unnecessarily large. It is a tax which you cannot drop at the moment, but it ought to be dropped just as soon as possible. If hon. members are helpful in seeing that measure go through that will get the Government lots of revenue, there will be not much danger of the tax being continued.

Mr. ROBB: May I suggest to the minister that we on this side will willingly assist him in measures that will tend towards economy instead of the extravagance we have had during the past few years.

Mr. VIEN: Might I suggest that the minister drop the idea, for instance, of erecting expensive buildings for the Mounted Police at Ottawa at a cost of $500,000, to keep 225 mounted policemen in Ottawa just for the purpose of parading our streets. I think there is ample room there for economy.

The CHAIRMAN: The hon. member is out of order in discussing that question at this stage.

Section agreed to.

On section 3—capital in case of merger of companies:

Mr. McKENZIE: Will the minister explain this section?

Sir HENRY DRAYTON: It means that in this day of mergers we are endeavouring to see that companies shall not escape the taxation which ought to be paid by reason of the introduction of water into the capital of merged companies. We are endeavouring to see that the taxation which ought to be paid will not escape exaction by reason of the introduction of water into the capital of the merged companies. In other words, when company A is incorporated into company B, the capital is not increased by that merger beyond the addition of the two capitals.

Mr. ROBB: This section refers to two or more incorporated companies merged or consolidated at any time after the first of January, 1916. Does the minister intend this to be retroactive, and will he collect additional taxes from that time?

Sir HENRY DRAYTON: Not at all. It simply carries out what we have done; we think every one should be treated in the same way.

Bill reported, read the third time and passed.

## INCOME WAR TAX ACT, 1917, AMENDMENT.

Sir HENRY DRAYTON (Minister of Finance) moved the second reading of Bill No. 158 to amend the Income War Tax Act, 1917.

Mr. DEVLIN: Explain.

Sir HENRY DRAYTON: The present Bill carries into effect the taxation changes as to incomes as proposed by the Budget Speech and as covered by the resolutions that have been passed, with certain minor amendments which I shall refer to as they are reached.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Steele in the Chair.

On section 1—dividends.

Mr. LEMIEUX: May I remind my hon. friend of the remarks made the other day by the ex-Minister of Labour (Mr. Crothers)? The Income Tax Act is practically incomprehensible by reason of its many amendments, and I would suggest to my hon. friend that this is an opportune moment for him to consolidate the various provisions of the Act.

Sir HENRY DRAYTON: Next year, I think, will be the proper time to consolidate them. The Act in England has been amend-

ed from time to time; it is amended every year. I think we may consolidate the different provisions of our Act next year.

Mr. MACKENZIE KING: Will the minister explain the effect of this amendment?

Sir HENRY DRAYTON: In the administration of this tax we have always treated stock dividends as income, exactly as if money were paid in actual cash. Where companies do not pay dividends but issue stock, which is really a bonus, to their shareholders the stock dividend is treated the same as money. The Finance Department of the United States has always treated stock dividends in the same way, but since they adopted that principle the Supreme Court of the United States has declared it bad law and taxes paid on stock dividends have had to be returned. We have always treated stock dividends as taxable and we shall continue to do so, but it is considered better, so far as we are concerned, that the matter should be made free from all doubt by the inclusion of the words:

—"dividends" shall include stock dividends.

Mr. PARENT: What will be the basis of taxation on stock which is issued at 100 but which when put on the market is sold at 50?

Sir HENRY DRAYTON: The justification of the dividend is the distribution of surplus. The question is, how much was that surplus reduced by issue of the dividend? To the extent that you take money out of surplus account, whether by payment of dividend or through the issuing of stock, you lift it from one column and put it into the other and to that extent you are taxed.

Mr. PARENT: Suppose a company issues to its shareholders stock which is afterwards quoted on the market at 50. Will the shareholder be taxed on the basis of 100, the value of the stock when he received it, or on the basis of the market quotation?

Sir HENRY DRAYTON: The price has nothing to do with it. The question of what is paid outside has nothing to do with it. It is a question of the change in the company's surplus and the percentage by which that particular shareholder benefits by that change.

Mr. PARENT: We are now discussing the income war tax?

Sir HENRY DRAYTON: Yes.

Mr. PARENT: Is that applicable to a company or to an individual?

[Sir Henry Drayton.]

Sir HENRY DRAYTON: It is applicable to a company in so far as it is a direct tax to the extent of ten per cent.

Mr. CURRIE: There is undoubtedly a misunderstanding in connection with this matter and we might as well clear it up. We will take the case of a company that has a large surplus. The surplus of that company is not taxable and it may, and invariably is, invested in plant, machinery and stock. If the company pays a stock dividend it reduces that surplus by so much and issues stock against it. The company has got its surplus capital invested in additional plant and machinery and it has issued stock against that. That is quite clear; anybody can follow that. In the United States they undertook to tax these stock dividends that had been issued by large corporations. The surplus is taken and re-invested and capital stock is issued against it. That is exactly the procedure that an ordinary individual follows if he increases the capacity of his mill. He takes his surplus earnings, makes an addition to his factory and puts in more machinery. The United States Government undertook to tax stock dividends. The question was argued before the Supreme Court and the court held that this was surplus of the company and that although stock was issued against it, it was not taxable. That is the condition of affairs in the United States. This Government wants to see whether we can tax further than they do in the United States. They are not going to leave Canadian companies in the same position as American companies. Of course we want a lot of American companies to come in here and develop our resources and this will be a very great inducement for them to come in. I do not think it is good policy to say that stock dividends are taxable. As a matter of law that was argued in the United States and the Supreme Court decided against that policy. Regardless of what the minister tells the House that is a fact. It is a question for the House to consider whether we are prepared to go further than the United States have gone. I think the more gracious procedure for this Government to follow would be to accept the American precedent and declare that stock dividends shall not be taxable. I think hon. gentlemen understand the point. The surplus capital is invested in plant and machinery and stock is issued against that capital. That becomes the property of the stock-

holders of the undertaking and it gives them that amount of additional capital.

Mr. DuTREMBLAY: Do I understand that depreciation will be taxed by this new clause?

Sir HENRY DRAYTON: Depreciation cannot be distributed if it is properly charged.

Mr. VIEN: May I draw the attention of the minister to the construction which may be put on those words "stock dividends"? The minister has given us, very properly, the policy of the department which is to tax the actual money which is taken and distributed but which instead of being distributed to the shareholders goes to the treasury of the company and stock is issued in lieu thereof. That is the policy of the department but the law does not say that. The law does not say that the tax is due on the face value of the shares given in dividends or any money which is actually taken from the treasury as liquid assets and put back into another account in the books of the company. There may be a misunderstanding as to the interpretation of the law. The minister has given the department's construction of the law but the law will be submitted to the interpretation of the tribunals and it is possible that they may put upon the terms of the law a different construction and may take the face value of the stock as the amount of dividends distributed instead of the actual amount of money which, instead of being distributed as a cash dividend has been put back under a different heading in the books of the company, shares for that capital investment being issued and distributed in lieu thereof. I think the wording of this provision might be improved.

Mr. CHAPLIN: I would like to ask how this clause would operate if the dividend shares paid happened to be shares of no par value such as are being issued in the United States very largely and likely in this country also.

Sir HENRY DRAYTON: I do not think there will be very much trouble in that regard. What is done is this: You must have a surplus in a properly managed company, in order to enable you to have a stock dividend. The theory of a stock dividend is that a company, having money or assets in its hands which it would not desire to distribute to the shareholders but would require to keep in its own possession, issues in place of that money or cash a stock dividend. It would make in practice no difference whether you gave dividends or gave specific shares. The amount that is realized, or that is taxable, is the amount of the surplus which ceases to be the property of the company as a company and becomes the property of the shareholders as the result of the issue of that new stock.

Mr. McCURDY: I would like to ask if these surpluses, to which allusion is made, and against which additional stock is issued, have not already paid a tax in the form of the special tax on corporations? As I understand, a company pays the corporation tax on its earnings during the year and if it achieves a surplus, that surplus has already paid a tax in the form of the corporation tax.

Mr. NESBITT: As I understand it, stock dividends are treated, when received by individual shareholders as cash dividends, in calculating the income of an individual shareholder?

Sir HENRY DRAYTON: Yes.

Mr. NESBITT: It therefore increases the issued stock of the corporation.

Mr. CURRIE: I would like to hear from the minister whether he proposes to follow the American practice or go them one better.

Mr. FIELDING: Do not talk about "trade with the Yankees."

Sir HENRY DRAYTON: What is proposed is to continue what we have done and to make no difference between the earnings which are distributed as cash dividends on the one hand and the earnings which are distributed as stock dividends on the other. In so far as the American situation is concerned it was obvious, of course, that they would do just exactly what we have been doing and as a matter of fact—although their Supreme Court, as I stated in opening, said that the Act was unconstitutional, —legislation, as I am at present advised, is now pending which will get away from the defects of the former Act and allow the tax to be levied.

Mr. VIEN: What I am afraid of, Mr. Chairman, is that if a question should go to the courts the courts may take as a basis of the taxation, not the actual cash which is disposed of by the company but the face value of the stock issued in dividends. There is nothing in the Act which says that the actual basis of the Act shall be the cash

so distributed. The cash is not distributed, I understand—

Sir HENRY DRAYTON: That is all that could be taken, the hon. gentleman will see.

Mr. VIEN: No.

Sir HENRY DRAYTON: It is only what the company gives up to the shareholder that could be taxed.

Mr. VIEN: No, because you say that the tax shall apply to stock dividends. If you issue stock at the par value of twenty-five, for instance, you can tax on the face value of the stock issued, and you are still within the application of the law. There is nothing stated to the effect that it is the cash which is the basis of the dividends distributed which is going to be assessed.

Mr. NESBITT: I think that if the minister will say that the stock dividend is supposed to be distributed on the par value that will meet my hon. friend's point.

Mr. VIEN: But supposing there is no par value mentioned? There are in Canada some provinces—the province of Quebec among the number—which authorize the issue by companies of stock with no par value, and there is no par value attributed to the shares. Here again is shown the double interpretation which may be given to this Act. Suppose that these shares issued, taken at their par value, are at 40, and that the cash which represents these shares is not of the same amount. Then a double construction will be possible. It will be possible either to tax the shares at their par value, or to tax the money which represents the shares that have been issued. I do not know whether I have made my argument clear.

Sir HENRY DRAYTON: I cannot quite follow my hon. friend. There is no thought here of taxing stock as stock. We are not taxing stock as stock; all we are doing is to say that a company cannot cheat the revenue by paying stock dividinds instead of cash dividends—that is all we are doing. There is no taxation on a share as a share; that is where my hon. friend mistakes the point. This is merely enlarging the definition of income to say that to the extent that expenditure has been plussed by bringing in in that one year—and only in that one year—stock dividends paid out of profits by the companies that it shall be considered as income; and the amount of that income—just in the same way as the amount of the cash dividends—must be the amount by which the company has depleted its surplus or other cash reserves.



Mr. ROBB: While I do not for a moment retreat from the position I took a while ago that nothing should be done to tax business and prevent its expansion, it seems to me that the minister here is on sound ground when he is placing incorporated companies on exactly the same basis as partnerships. It is unfair to partnerships that they should be taxed up to the limit and that incorporated companies should be allowed to escape in respect of stock dividends.

Mr. LEMIEUX: I would like to direct the attention of the minister to another way of escaping the payment of income tax. I have noticed that of late—to be correct, ever since this legislation has been in force, —huge advertisements, advertisements of inordinate size have been published in the newspapers, especially in the automobile world. Evidently these companies have been doing an immense business during the war and since, and they are spending on advertisements profits which ought to be taxed by my hon. friend.

Mr. CURRIE: They are American companies.

Mr. LEMIEUX: And Canadian companies too. This is a way of evading the payment of taxation, and I call upon my hon. friend the minister to reach these companies.

Section agreed to.

On section 2—determination of deficits and losses:

Mr. NESBITT: Will the minister explain what is the purpose of this amendment? The amendment itself is there but not the clause which is proposed to be amended.

Sir HENRY DRAYTON: There are certain deductions which are allowed to be made from income, and the particular clause which is amended is clause (f) of Section 2 of the Act of 1919. That is to say, supposing a lawyer, making $10,000 a year, goes into some side venture and loses $2,000 he cannot deduct that $2,000 from his regular income.

Mr. VIEN: He cannot?

Sir HENRY DRAYTON: No, he cannot. In order to make it clear so that there can be no doubt as to what is or is not a debt or loss, having regard to that main business, it is proposed to add this section:

—and the minister shall have power to determine what deficits or losses sustained in transactions entered into for profit are connected with the chief business, trade, profession or occupation of the taxpayer, and his decision shall be final and conclusive.

In the previous legislation the principle is laid down. Here the machinery is provided for seeing that the principle is lived up to.

Mr. CURRIE: In other words, it means that when a man has two or three lines of business and earns an income from one and loses more than he makes in another, he does not get any reduction on the losses that he suffers. That is exactly what the provision means and I do not think it is fair. Suppose a man is interested in two lines of business; he makes on one and loses on the other. He pays income tax in respect of the business which yields him a profit, but for the loss that he incurs in the carrying on of the other business he gets no allowance.

Mr. NESBITT: If a man makes a profit in one business and incurs a loss in another, it is probable that his income will be nil, and if he has no income he should not be taxed. It is immaterial what he makes it out of so long as he pays the tax according to his income.

Sir HENRY DRAYTON: Take the case of a man who is interested in three different manufacturing companies. His main business is manufacturing, and he would be taxed on his net income from those three companies.

Mr. ROSS: Suppose a professional man has stock in two lines of manufacture, making a profit in one and losing in the other. Would he be taxed in respect of the business which yielded him a profit, or would the whole thing be taken together?

Sir HENRY DRAYTON: There, of course, it would be different; that is where the amendment would come in. The question would be whether he was a professional man or a manufacturer. It would seem to me that in the case mentioned he would be a professional man having stock in these companies. If there was a loss in these companies, of course he would get no dividends, but on the other hand he would not be allowed to charge up against his professional income, income derived from the carrying on of his main business, losses incurred in that venture he took in the manufacutring business.

Mr. ROSS: I suppose it would depend on what decision was arrived at as to what was his chief business?

Sir HENRY DRAYTON: That would be the point to be determined.

Mr. FIELDING: Is it important to draw a distinction between one business and another? It is not a crime for a professional man to put some money into a manufacturing business; I do not see why he should be obliged to declare which is his chief business. Take the case of a medical man who engages in the manufacture of medicine, is he a professional man or a manufacturer? I do not see what difference it makes to the minister how the income is derived. If a man gets the income, he should be taxed; if he does not, I do not see how you are going to tax him.

Sir HENRY DRAYTON: I agree in large part with my hon. friend. But the real issue is not the question of manufacturing on the one side and professional work on the other. The real issue is this: Once a man actually gets an income from his main occupation or source of revenue he should be taxed, and he should not be allowed to subtract from that main income losses which he runs into in other directions. Let me illustrate. In all our large cities, particularly in Toronto, there are a lot of agriculturists, if I may use the word, as distinguished from farmers. I refer to men who make their money in the city, but who have farms just outside the city in connection with which they lose money. I have known such men to contend that while the income from their profession or from the carrying on of their business was $25,000 a year, it was unfair to tax them on that basis because they were losing $10,000 to $15,000 a year in the running of farms a few miles out of the city. It is to prevent that sort of thing that the amendment is introduced. That man really is not a farmer. He has his main net income, and if he chooses to spend it in carrying on this outside activity, he is in the same position as the man who spends it on automobiles or anything of that kind.

Mr. FIELDING: These cases cannot be very numerous. I am inclined to think that if a man has made money in his profession and sees fit to carry on farming operations as a hobby, he cannot lose a great deal in that connection without doing some good to the community. If my hon. friend makes a fortune in his capacity as Minister of Finance, which he is pretty certain to do, and wants to invest some of it in a farm, I am not sure that we should penalize him for doing so. If it is a fad, it is a worthy fad, one which makes for many good things for our country. But the point is this: At

the end of a year you ask a man how much his income was from all sources. If he has not the income, how are you going to make him pay? If he has a professional income of $10,000 and has lost $15,000 in the operation of a farm he is just $5,000 in debt to some one; where is he going to get the money to pay the tax? After all, the rough and ready way of putting it is this: Has a man the income? If he has, let him pay the tax; if he has not, he cannot pay the tax. It is not to be assumed that a man goes into a business on the side merely for amusement; he goes into it for legitimate purposes, and if he loses money, I think it is one of the laws of trade that he should not be penalized for it. But you cannot make a man pay if he has not the money.

Sir HENRY DRAYTON: Income under our Income Tax Act is not net income; it is income before any charge is made against it, and the effect of what we are doing here is simply to carry that principle out in its general application, not only to the things that you may choose to do with, perhaps, no particular object in view, but to the things that you have to do or desire to do for a very particular purpose. It is true that the man with an income of $10,000 a year has to maintain a household and supply his family with the necessaries of life, and so on. He has a lot of charges to make against that income; probably he even has no net income. Now, we are saying that these essential expenditures will stand in exactly the same position as an expenditure of the kind that he need not go into; that a loss in connection with another activity than that from which he derives his main income cannot be deducted from that income any more than can his other unescapable expenditures.

Mr. BELAND: This brings us a little nearer to the question of the taxing of the indemnity of members of the House. I understand that amounts expended in the earning of an income may properly be charged against that income. Let us suppose that a member of this House has a total income of $2,500 a year, which is the indemnity, and that in order to earn this indemnity he spends $2,000 a year,—all in connection with the fulfilment of his public duties as a member of Parliament. Is not this expenditure properly chargeable against the total indemnity, just as expenditure ordinarily incurred in the earning of income is chargeable against that income for the purposes of the tax? I wonder if the minister sees the point I am making.

[Mr. Fielding.]

Sir HENRY DRAYTON: I have it exactly, and as a matter of fairness I entirely agree with my hon. friend.

An hon. MEMBER: Then why don't you do it?

Sir HENRY DRAYTON: Well, I may do it. In the first instance, I should have thought is was very debatable whether members of Parliament should be taxed or not on their indemnity, because it is not supposed to be an income, it is supposed to be an indemnity; but Parliament itself decided that it wanted to be taxed. Apparenty, members of Parliament, with wonderful unanimity, determined that they would like to be taxed.

Mr. BELAND: Not at all. I may remind the minister that this was a straight declaration made by his predecessor without anybody calling for it.

Mr. BUREAU: I asked to be exempted.

Mr. NESBITT: I brought this matter up the first time the income tax was introduced, and the minister's predecessor said, just as my hon. friend has said, that he thought that, properly speaking, the indemnity should not be taxed. But it was taxed, and at that time I put up a fight with the department that if we were to call this indemnity an income, we should be allowed our necessary expenditures in earning that income. The next year the former Minister of Finance, as the hon. member for Beauce (Mr. Béland) says, deliberately put in the Act a clause that we should pay on the full indemnity without any allowance. As an individual is allowed to deduct, not personal expenses, but office expenses incurred in earning an income, members of Parliament have an equal right to be allowed to deduct expenses incurred in earning what is called our sessional indemnity. I quite agree that if that were done, there would, in many cases, be no income to be taxed.

Mr. LAPOINTE: We would have a claim against the State.

Mr. NESBITT: My hon. friend (Mr. Lapointe) says that we would have a claim against the State. But either the indemnity ought to be exempt from taxation or we ought to be allowed to deduct necessary expenses in earning the income. It was only because of the delicacy of the matter on the part of hon. members that it was not opposed at the time. It was a mistake that it was not opposed.

Mr. BELAND: I do not want to appear before the committee as claiming that that part of the indemnity which is net income should not be taxed, but I claim that whatever expenditure is incurred in connection with the fulfilment of our public duties should be charged against the total indemnity—

Mr. BUREAU: Including election expenses.

Mr. BELAND:—and in that case, I am sure the minister's department would not get very much money out of the members.

Sir HENRY DRAYTON: Does the hon. gentleman think that contributions for election expenses or anything of that kind should be deducted?

Mr. BUREAU: We do not expend anything for that.

Sir HENRY DRAYTON: I think the proper thing would be that a fair per diem allowance, which would represent the expenses of a member while in Ottawa and while the House is in session, should be deducted before the amount is assessed.

Some hon. MEMBERS: Hear, hear.

Sir HENRY DRAYTON: Perhaps that is something which we might regard as a matter of administration. As the Bill is a fairly long one I do not suppose that we shall finish it to-day, and the matter will not be lost sight of.

Mr. BUREAU: Could not some means be devised of collecting income tax from people who are not actually resident for twelve months in Canada?

Sir HENRY DRAYTON: That matter is dealt with later on.

Mr. STEIN: Does not the minister think it is too drastic to make the decision of the minister final and conclusive? If any difficulty arises between the department and the ratepayer, the matter should be submitted to the Exchequer Court of Canada, which is a court provided expressly for the purpose of arbitrating between the Crown and its subjects.

Section agreed to.

On section 4—income from an estate or accumulating in trust:

Mr. NESBITT: If a man is a beneficiary and certain moneys accrue in a certain year and they are not paid in that year, why should they be taxable in that year? Supposing I am an executor for an estate, and certain moneys that should be paid into the estate during a certain calendar year, are not paid in during that year but are paid in the next year, if they are taxable in the previous year, a mix-up will occur in the accounting of the estate.

Sir HENRY DRAYTON: It is thought—and this is the result of the experience of the department—that it is a great deal better for accretions to be taxed regularly; that you should not have delayed taxes, because when taxes are delayed, too much must be paid all at once. It is really in the interest of the beneficiary himself, that when he cannot draw his income, the proper charges against that income which, after all, is actually earned—and what we should get is a tax on money when earned, whether distributed or not—should be paid.

Mr. NESBITT: He might not get the money at all. Very frequently we do not get money that properly should be paid into an estate.

Sir HENRY DRAYTON: In that case, the tax would not have to be paid. That would not be income, because it would not be received.

Mr. NESBITT: The clause reads that if the income accrues in that term, the tax must be paid. Such an exaction is an injustice.

Mr. PEDLOW: I should like to refer to the returns made by members of Parliament. Many members of Parliament who are in business take stock each year on the 31st of January or some time during that month. They are expected by the department, I understand, to include their sessional indemnity in the return for the accounting period. For instance, if the accounting period for the year 1920 is arrived at in the month of January of that year, the department has ruled that the return must include the indemnity for 1920, before it has been received. Suppose a member of Parliament sends in his return in January and includes in it the indemnity he expects to receive during the year, and that in the meantime a general election comes and he does not receive the indemnity, he will have to pay taxes on an indemnity he has not received. I think in a case of that kind the member should include only his returns for the accounting period ending on the 31st of January or on the date mentioned in the schedule.

Sir HENRY DRAYTON: I should like this section to stand.

Section stands.

On section 5—Patriotic and Red Cross funds:

Mr. CRONYN: I wish to suggest to the committee that instead of repealing paragraph (c) it should be amended in such a manner as to allow the exemption of amounts paid by the taxpayer during the year for charitable purposes. Paragraph (c) reads as follows:

—amounts paid by the taxpayer during the year to the Patriotic and Canadian Red Cross funds, and other patriotic and war funds approved by the minister;

It is quite clear that war funds are no longer in existence, so they should not be considered. It is quite true that the Patriotic fund is still in existence, and gifts might still be made to it. The Red Cross fund is also in existence, as it has been for many years. My suggestion would be that the paragraph should be allowed to stand and that in place of the word "war" the word "charitable" should be inserted, so that amounts paid to any of the above named funds and to charitable funds during the year will be exempted. The Act by paragraph (d) of section 5 now exempts the income of charitable institutions, but it does not exempt gifts to such institutions when made by the ordinary taxpayer. In the province of Ontario, where there is an ever increasing succession duty payable on death, the Act has always exempted from the tax legacies for charitable, religious and educational purposes. Nor do I think there has been any great loss to the province or any harm done by reason of that law. The American Act specially exempts such gifts up to the amount of 15 per cent of the taxpayer's entire income. Their clause is much wider than the one I have suggested, it reads:

Contributions or gifts made within the taxable year to corporations organized and operated exclusively for religious, charitable, scientific, or educational purposes,

And so on.

to an amount not in excess of 15 per cent of the taxpayer's net income.

I think this is a matter which might receive the favourable consideration of the committee. We all know that these charitable institutions must be kept up, and are largely kept up, by voluntary contributions, and that most of these contributions come from a limited number of people in each locality. It is not altogether the wealthy man who supports these charities. It is the man of moderate income, who is called upon time and again throughout the year, and who wishes to, and who does subscribe to the fullest extent for the maintenance of these institutions. It is a little hard and I think ungenerous for this country, after that subscription has been made, to force the giver to pay an income tax thereon. I do not know that one can elaborate or add anything to this plea. I would suggest the following amendment moved by myself and seconded by the hon. member for North Perth:

That paragraph (c) of subsection 1 of section 3 be amended by substituting the word "charitable" in the place of the word "war" in the last line of the said paragraph.

Mr. FIELDING: Does my hon. friend move that as a substitute for section 5?

Mr. CRONYN: Yes.

Mr. FIELDING: My hon. friend is referring to the Act as it now stands, and not to the Bill, and he may have to change his amendment slightly.

Mr. CRONYN: Yes. Unfortunately, having just come down from a committee meeting, I had not seen the Bill.

Sir HENRY DRAYTON: The section which the hon. member desires to amend is paragraph (c) of subsection 1 of section 3 of the Act of 1917, which reads as follows:

(c) amounts paid by the taxpayer during the year to the Patriotic and Canadian Red Cross funds, and other patriotic and war funds approved by the minister.

I understand that he desires to substitute the word "charitable" for the word "war." I suppose that everybody likes to encourage charity, but after all charity sometimes begins at home. We have a very heavy task in raising the necessary revenue. I do not know just exactly how much the charitable people of this country, and there are many of them, would have their hands stayed by the fact that they had to pay their share towards the country's expenses, or how much more or how much less would be given in consequence of our action in this matter. I do not like, so far as I am concerned, to say no directly to my hon. friend's suggestion. It is a subject which deserves consideration. I would at any rate suggest to my hon. friend that he limit the exemption as provided by the American legislation, which limits it to an amount not in excess of 15 per cent of the taxable income. That is, the American Government says:

If you want to do your duty as you see it, and look after charitable objects to the extent of 15 per cent of your taxes we will help you to do it. The charity is at the expense of the Government to the extent of 15 per cent only. I would suggest that if we substitute Government aid for the generous and spontaneous action of charitable persons we ought to have at least some limitation, as exists in America, to the extent that that aid should be given.

Mr. NESBITT: Say 10 per cent.

Mr. CURRIE: I have in mind a charity that is very much affected by this tax. When the late John Ross Robertson died he was proprietor of the Telegram in the city of Toronto and he made a will whereby certain bequests were to be paid annually out of the income of that newspaper, and the residue was to be paid to the Sick Children's Hospital. That newspaper earns something like $350,000 per annum and the Government takes a large proportion of that amount off as excess profits tax, thereby reducing by thousands of dollars the sum which the Sick Childern's Hospital should receive. In the whole province of Ontario there is no greater charity than the Sick Children's Hospital in the city of Toronto. Maimed and sick children from every part of the province are taken to that institution where they receive the very best attendance from highly qualified physicians, the best men in the medical profession in Canada, and as a result of the treatment given them many of those children, who go to the hospital in a weak and emaciated condition, are eventually saved. Everything possible is done to promote their recovery, and no man could leave money to a worthier or nobler charity than that. As a matter of fact, the Telegram of Toronto belongs to the Sick Children's Hospital, because after those who are now receiving annuities from it die the whole of the revenue of the paper will be devoted to that charity. To my mind it is not right to exact a profits tax from a charity of such a character, and I quite agree with the hon. member for London that the Government should take this matter into very serious consideration. That charity to which I have referred appeals to the sympathy of people all over the province. The children in all the public schools and in the remote sections of the province contribute their pennies and many as high as 25 cents and 50 cents towards its support, and I think that some provision should be made to exempt charities of that nature. We have a great many of them in the country, and it is not very encouraging to rich men, who are disposed to leave their money for benevolent purposes, to know that after they are gone a hard-hearted government will tax the money which they have bequeathed to support some object which is in dire need of assistance and devote it to useless things around the country. I hope the minister, who is an old friend of Mr. Robertson, will take this matter into consideration, because I do not think that hon. members sympathize with any scheme for taxing charitable bequests of this kind.

Mr. VIEN: Much as I sympathize with the hon. member for London (Mr. Cronyn) and the hon. member for Simcoe (Mr. Currie) in their desire to encourage charitable grants, it seems to me that there are two great objections to the motion of the hon. member for London, and the first objection is given by the Minister of Finance (Sir Henry Drayton), who says that this is a charity at the expense of the State. The first duty of every citizen is towards the State, and no money of which the country stands so much in need should be diverted from the aid of the State to charitable institutions, which undoubtedly are deserving of every consideration but which must be subordinated to the interests of the country. Charitable institutions are deserving, it is true, but there is no institution which should appeal more to the consideration of the citizen than the State. The second objection I have to the motion is the difficulty which it creates for the Minister of Finance in determining what are charitable institutions and charitable objects. There are a thousand and one charitable funds and institutions throughout Canada, and we are to give to the Minister of Finance the discretion to determine which of them will, and which will not, be favoured. Grants to some of them will be deducted from income and grants to others will not, and I think that if the motion is adopted the position of the Minister of Finance will be made very difficult indeed. Broad minded and fair minded as he is, we can readily understand that his position would be an invidious one under such circumstances, and I therefore think that it will be best to stand by the general law. As the minister has pointed out, I do not think any one will be hindered from making grants to charitable institutions which deserve assistance from wealthy people.

Mr. BURNHAM: It might be inferred from the hon. gentleman's lucid remarks

that he desires charity to contribute to the war. The Sick Children's Hospital will pay this tax; the sick children will be the payers.

Mr. VIEN: Does the hon. gentleman think that the determination not to deduct grants from the income will deter rich people from making such grants?

Mr. BURNHAM: I do not know that it will; I am not prepared to say so. But I understand that this will be deducted from the amount given to charity.

Mr. VIEN: No, from the income.

Mr. BURNHAM: It is the same thing.

Mr. VIEN: No.

Mr. BURNHAM: Is there no loss to charity under this?

Mr. VIEN: Not at all.

Mr. BURNHAM: What is the hon. gentleman's argument?

Mr. VIEN: The argument is that under the motion of the hon. member for London a man who has an income taxable will have the right to deduct from that income whatever grants he makes to charitable institutions. If we accept that motion it will not be the charitable institution that will be called upon to pay the tax; the man that makes the grant will have the right to deduct from his taxable income whatever he has given as a grant, and therefore I say that it will not prevent a rich man from making a grant to charitable institutions.

Mr. BURNHAM: It certainly will deter a man from making such a grant. It is to be supposed that in making the grant he is giving as large an amount as he can, and therefore if he has to pay the tax it will reduce the grant by that much. In this case, therefore, the loss will be that of the sick children, and in the final analysis they pay the tax.

Mr. VIEN: In the example given by the hon. member (Mr. Currie) which prompted my hon. friend to rise,—I refer to the charity left to the sick children—it is not the grant itself that will be taxed but the balance of the estate.

Mr. MIDDLEBRO: I think the members of the House would favour the amendment made by the hon. member for London (Mr. Cronyn) providing they were perfectly sure of the construction that would be given to the words "other charities." In the section amended, which he mentioned are the Patriotic Fund, the Red Cross and other charities. If "other charities" means, applying the rule of law, ejusdem generis, of a like nature, I am quite willing to have the amendment passed but if it is going to be construed in such a way that it may include religious institutions of all kinds or institutions that deal with other matters than bodily infirmities and the like I am inclined to think that it would be very ill-advised to make such an exemption because it would place on the shoulders of the Minister of Finance the delicate responsibility of deciding which should be regarded as a charity. We might have contributions to churches that would be claimed as being exempt from income tax. I think it would be well that it should be construed as the Patriotic Fund, Red Cross, and other charities of a similar nature. I should like to hear the view of the minister as to what charities along these lines should be exempt.

Mr. ROBB: Reading this clause in the Bill, it occurs to me that there must have been some truth in the statement published in the daily press during the years of the war that certain parties in Canada had subscribed generously to the Patriotic and Red Cross funds, but had never paid and the consequence was they were enabled to escape the assessment made by the Department of Finance. I have it in my mind now that the minister is going to guard against that in this Bill.

Mr. McGIBBON (Muskoka): It appears to me that the object of this committee is to find means of getting revenue to run the country. Instead of making loop-holes to lose revenue we should rather tighten up the provisions of the income tax law so that this country will have sufficient money to pay its debts. It appears to me that the amendment as submitted is a dangerous one. What limits would you put on it? It opens the way to all kinds of false declarations and it puts the minister in the awkward position that he has to take the responsibility of deciding what should be exempt and what should not be exempt from taxation. I would rather see the minister go a little bit further and wipe out every exception. A man who gives charity gets enough credit for it without wanting to have his contribution exempted from taxation. Every man should be willing to pay his just share of taxes towards running the business of the country and I am not in sympathy with making loop-holes to let any man evade his fair share of taxes. I would rather tighten

up, make it as equal as we can and make every person in the country large or small, bear his proportionate share of the expenses of the country. It should be put on a business basis and I am glad the Minister of Finance is trying here to make us pay our way the same as any business man, or honest man would pay his way and to enable us to run this country on a business basis.

The CHAIRMAN (Mr. Steele): Shall the amendment be adopted?

Mr. NESBITT: I would like to suggest that the paragraph stand to let the minister have an opportunity of looking it over. I am quite sympathetic with any real charity. It looks as if it might be quite feasible for some things to be brought under the head of charity that really are not charity. I am quite in accord with the proposal that the word "charity" shall be added. I have not a memorandum here of the original clause. The Bill just says that a certain clause shall be struck out. I would like to suggest that the word "patriotic" be dropped. That does not apply very frequently now. What would you call a patriotic association? When the war was on there were certain things that could easily be described by the word "patriotic" but these organizations are unnecessary now. I do not think it would be hard to define what "charities" are. That is why I suggest the minister allow the paragraph to stand, give it some thought and see if the word "charities" could not be so defined that it would include only what the hon. member for London has in his mind; that is a real, actual charity. I do not agree with the statement that a man who generally gives to charity is a man who is getting any advertisement out of it. A man who generally gives to charity gives for charity's sake and gets no benefit or advertising. I assume that he gives it secretly and that he gives it out of the goodness of his heart.

Mr. FIELDING: I quite agree with my hon. friend from Lotbinière (Mr. Vien) that this provision would not prevent a rich man from giving to charity if he wished to do so. There are many rich men—and we all rejoice that it is so—whose hearts are as big as their fortunes, and I have no doubt that they would still give. But what the hon. member for London states is true that after all, the multitude of those who contribute towards charity are not rich men. They are mostly men of very moderate means and it is that class of contributor who would benefit by the amendment proposed by the hon. member for London. The man who has a fortune and gives a few thousand dollars does not miss that amount, but the man of very moderate income who receives every week of his life some application for a contribution to a worthy charity, in the aggregate gives quite a percentage of his ordinary income in that way. If he could be exempted from the payment of taxes on those contributions it would rather encourage him to give. I am sorry for the Minister of Finance, who is going to be in a very difficult position if he has to determine what is a charity and what is not. But he has lots of difficulties these days and adding one more to his troubles is only a small matter. There is much to be said on both sides, but I think that the weight of the argument falls on the side of the hon. member for London.

Sir HENRY DRAYTON: How would the hon. gentleman (Mr. Fielding) propose to check the payments made for charitable purposes? How could you have the word "charity" in the Act and not give it an elastic meaning. Suppose it had an elastic meaning? There are very few churches that do not carry on a good deal of charitable work. How would you find out what was given for charitable work in connection with a church? One man might go to church and put $5 on the plate and not advertise the fact while another man might. I see great difficulty in ascertaining what is the meaning of the word "charity" unless you tie it down to certain organizations. By leaving it general and wide open I doubt if we would ever get anywhere.

Mr. McKENZIE: Do I understand the minister to say that the amendment as it stands in the Bill does away with these exceptions?

Sir HENRY DRAYTON: Yes.

Mr. McKENZIE: I entirely agree with that. I do not think there should be any cheese-paring at all. I think it better to strike them out altogether.

Mr. CROTHERS: There is still another objection to extending the exemption to contributions to charitable institutions, although it may not be a very formidable one. The objects mentioned in the Act of 1917 were of a national character and one making a contribution to the Patriotic Fund was making a contribution to a fund for all Canada. If you alter that and exempt the sums paid to charitable institutions, a man, to take an illustration, might reduce his income tax by $10,000. That $10,000

belongs to the people of Canada. He would very likely if he were prompted to give aid to a charitable institution give it to an institution in his own town. Thus he would be taking the money of the people of Canada and giving it to the people of his own city or town. It is not a formidable objection but it is an objection I think.

Mr. CALDER: I might mention another illustration along the same line, that came up for discussion this morning in another way. In the province of Saskatchewan, for example, our municipalities pay the entire cost of hospitals; the hospital management does not appeal to the public at all. The burden of carrying the expenditure in connection with our hospitals is always borne by the people as a whole in the way of taxation. Consequently there are no contributions of this kind to charitable institutions of that nature. But I understand, for example, that in the city of Toronto the hospitals there are maintained to a very large extent by private contributions. Well, why should a man in Toronto be partially exempt from his income tax if he makes contributions to an institution there, whereas in Saskatchewan our people do not make contributions of that kind to the hospitals and have to bear the whole income tax. You will find all sorts of such anomalous situations. I think the illustration given by the hon. gentleman who has just spoken should not apply unless the charitable institution is national in its scope and has national work to do. Otherwise I think you will have all sorts of anomalies in the working out of a provision of that kind.

Mr. FIELDING: If the people of Saskatchewan escape claims for a hospital they are called upon to make good in other respects. I do not imagine that among the many inducements that are offered to people to settle in that province we could hold out to them the expectation that they would not have to contribute to charities; in one form or another they will get at them.

Another point occurs to me. Let me say that I think nine men out of ten who will claim an exemption of this kind can be trusted to make an honest return. I think the cases in which this privilege would be used to evade the law are very few indeed. The man who gives liberally to these institutions is not the man who is likely to make a false income tax return.

Sir HENRY DRAYTON: I entirely agree with my hon. friend. It is not the man who does the right thing who is likely to evade the Act. It is the man who would not give anything at all to charity, and he is the one that I want to look after.

Mr. CURRIE: I think possibly the amendment could be modified so as to cover cases where the grant is made to an institution that is recognized by the State. As drafted the amendment possibly leaves the door too wide open and would cover an organization which would not really be recognized as a charity. But I think that if the Government took the clause under their consideration the sense of the House is largely to the effect that in the case of charities that are recognized by law a man might be allowed to make contributions which would be free from the income tax. With respect to the province of Saskatchewan they, of course, are starting out new and are beginning in the right way by making the State take care of all their charitable work of that kind. Unfortunately, however, in the province of Ontario, and the other older provinces, the old system of a man bequeathing money to charity in his will, and of the public supporting these charities to a large extent by individual contributions, prevails. In Ontario there are hospitals in every town of any size which hospitals are maintained by grants from the province and from the local municipality, and largely by contributions from kind-hearted people. The same system obtains in the province of Quebec, and the amount of revenue that will be lost to the Government through this exemption would be very small. In the case of the Sick Children's Hospital in Toronto, unless there was an exemption the institution would lose something like forty or fifty thousand dollars a year.

Sir HENRY DRAYTON: It would not turn on this at all.

Mr. CURRIE: At the same time I think the clause should be changed so as to cover a case of that kind. Otherwise some $50,000 will be taken directly out of that hospital which is one of the greatest charities in the Dominion. For that reason the clause should be amended so as to relieve the situation. I would suggest that rather than have the matter voted on and encounter any trouble—seeing that we are all concerned in doing the best we can to meet the situation—the Government should reconsider the clause and see if the proposed amendment cannot be so changed that the door would not be left open too wide, and have it so that if an individual makes contributions at all he should contribute to a national charity.

Mr. FIELDING: I think if the minister and the member for London would spend a few minutes together they would reach a conclusion, and I for one would willingly submit to their judgment.

Clause stands.

On section 6—Income tax and persons liable thereto:

Mr. NICHOLSON (Algoma E.) I would like to ask the minister whether he has considered the question of extending the income tax exemption to "householders" in paragraph (a) of subsection 4 of the original Act. It specifies that 4 per cent shall be collected upon all income exceeding $1,500 in the case of unmarried persons and widows and widowers without dependent children, and exceeding $3,000 in the case of all other persons. By the amendment of 1919 the tax was made applicable to income exceeding $1,000 in the case of unmarried persons and widows or widowers without dependent children, etc., and exceeding $2,000 in the case of married persons. There are a number of unmarried persons and widowers who have households to maintain and have to bear all the responsibilities of married persons. Included among these are a large number of workingmen, and I would ask the minister if he has considered the advisability of making the exemption apply in the case of "householders," that is to say using the term "householder" instead of "unmarried person.

Sir HENRY DRAYTON: There is a good deal of difficulty in finding out what a householder is. Looking at other tax laws this, so far, seems to be the only way of providing for the exemptions. However, consideration of this Bill may not be finished to-day and the point might be considered a little later on.

Mr. NICHOLSON (Algoma): The Ontario Act uses the term that I have mentioned.

Mr. McKENZIE: I support the view of my hon. friend with respect to any man who is a householder and is getting exempted up to $1,000. I supported the same view yesterday, although upon a different matter, and the minister knows what I have particularly in mind. There are many persons not married who are obliged to maintain households, and upon whom devolve the same responsibilities and expense as devolve upon the man who happens to be married.

Mr. ROBB: I should like to hear how the minister regards this section. Does this mean a dual tax, that is to say that a person residing either in England or the United States and paying taxes to the government of either country will also have to pay a tax in Canada?

Sir HENRY DRAYTON: The object of subsection 5 is to cover the case of such men as mining engineers who, having their address outside of Canada, spend five or six months of their time in this country and derive a very substantial income from work which they do here. We think that they should pay a tax on that income. We have an arrangement at present under which people who come from the United States into Canada and engage in work from which they derive an income may have credited to them by the United States authorities in respect of income tax any amount which they pay to us on that account. The same thing applies to Canadians who engage in temporary work in United States.

Mr. McKENZIE: That must be by international arrangement.

Sir HENRY DRAYTON: It is so provided by statute. We give a rebate in respect of taxes collected by foreign countries from persons who derive an income from work in Canada and who pay income tax to us in respect thereto. This applies, of course, to persons from foreign countries which have a similar statutory provision.

Mr. ROBB: Does that apply to investments? If persons residing in the British Isles and having investments in Canada pay income tax to the Canadian Government are they exempt from taxation in the British Isles?

Sir HENRY DRAYTON: That is a question that has given us a great deal of trouble and to which we have given much consideration. The whole matter is now being considered by a Royal Commission in the Old Country, and we hope to make some satisfactory progress in the matter. At present no such relief is given as my hon. friend suggests.

Mr. ROBB: The minister must see the importance of having this straightened out at an early day; otherwise investments in this country will be prevented.

Sir HENRY DRAYTON: It is most important.

Mr. BUREAU: Is there any particular machinery for collecting the tax from persons who have resided in Canada for six months only? We could not get at a man once he left the country.

Sir HENRY DRAYTON: There is no special machinery.

Mr. BUREAU: Would it not be well to provide that the person who employs the mining engineer or the technical man who gets very high wages and who is only temporarily employed in Canada shall deduct the amount of the tax from his remuneration and make a return thereof to the department?

Sir HENRY DRAYTON: Most of these men return to Canada. But there is a great deal in my hon. friend's suggestion; we will see what can be done in the matter.

Mr. NICHOLSON (Algoma): A large number of men in Canada who constitute our floating population are, I believe, entirely escaping the income tax. I want to be specific; I will refer to the part of the country in which I live. Employers of labour in the newer parts of Canada are asked to furnish to the department a list of all their employees who earn the equivalent of $1,000 a year and who work in Canada for six months or longer at a time. This means a very considerable burden on the employer in the keeping of records, and my judgment is that the department is getting nothing as a result in the way of revenue, because these men are moving around from place to place in such a way that the income tax collector cannot catch up with them. Some of the people, returned soldiers, for instance, feel that they are not being justly treated in this matter. We have a large number of foreigners in Northern Ontario. Recently I happened to be in a bank in a town in Northern Ontario. Two foreigners came in to draw out their money before going home to the old country; between them they had accumulated over $7,000. A returned soldier who was standing by said to me: "Is it fair that these men should wholly escape taxation while we who have just come back from the war and are getting into employment are being taxed on our incomes over $1,000?" What answer could I give? I made a suggestion to the department, and I give it now to the committee for what it is worth: that these employers, instead of being asked to send in elaborate returns giving the names of foreigners whom they would not know on the street if they met them, be called upon to collect the tax out of the wages of such classes of employees as I have indicated. That may seem a drastic method of collecting the tax on a man's income. But I submit that if these people are to be reached at all some means of that kind will have to be adopted; otherwise they will go on earning substantial incomes, as they have been year after year, without contributing a nickel to the national revenue.



Mr. BUREAU: Do I understand my hon. friend to mean that these men should have paid a tax on the amount which they withdrew from the bank?

Mr. NICHOLSON (Algoma): No, I do not meant that.

Mr. BUREAU: They may have earned less than $1,000 a year.

Mr. NICHOLSON (Algoma): Well, if they did, they should not be taxed, but the majority of them earn much more than that and are escaping taxation. I am prepared to say that 10,000 men between the Ottawa river and the boundary line between Manitoba and Ontario who are earning more than $1,000 a year are wholly escaping income taxation simply because no method has so far been adopted of collecting from them. I have no method to suggest, unless you catch them at the time that they are receiving their wages.

Mr. BUREAU: You would have to say to the ordinary labourer who works thirty days in one place and fifteen in another: "You are earning so much per day, which is so much more than $1,000 a year," and then you would have to force the employer to collect the money for the Government.

Mr. MANION: I wish to support the remarks of my hon. friend (Mr. G. B. Nicholson). In my city a great deal of piece work has been going on during the last few years, and it has been the complaint of the people there that many men of outside or alien nationalities were earning large wages on piece work, even as high as $10, $15, and $20 a day, and contributing to this country absolutely nothing by way of income tax. I wish to support the remarks of my hon. friend (Mr. G. B. Nicholson) in that regard, because I think his remarks are well worth considering by the Minister of Finance as a new method of securing revenue for the Dominion treasury from men of this kind.

Mr. BUREAU: The machinery is hard to work.

Mr. McCOIG: There is a great deal of truth in what my hon. friend (Mr. G. B. Nicholson) has stated. Many foreigners are coming into this country and earning large wages, and they are, to a large extent, doing what the hon. member has stated. While they are in this country they spend practically nothing; they save up their money and they send their savings to the country from which they came, thus getting out of paying one cent of taxes or contributing in any way to the upkeep of this country. In the constituency which I have the honour to represent there are many Mexicans who earn large wages, who live on practically nothing and who send their savings back to their own country, thus evading any responsibility for the upkeep of this country. The hon. member is not trying to find any fault; he is suggesting that this is a matter that should be looked into seriously by the Government, and if we can get a revenue from this source, I am satisfied that every hon. member will heartily approve such action on the part of the Government.

Mr. FIELDING: I want to offer the very smallest kind of criticism. If the minister will turn to subclause (5) at the bottom of clause 6, I think his purpose will be made clearer if he will strike out the comma after the word "Canada" in line 26 or insert a comma after the word "Canada" in line 27. We know what the purpose of the minister is, but it would be made plainer by that change.

Sir HENRY DRAYTON: I move that amendment.

Amendment agreed to.

M. J. E. FONTAINE (Hull): Monsieur le président, je désirerais bien avoir une copie de la version française du bill. Où pourrais-je me la procurer?

The CHAIRMAN (Mr. J. M. Douglas): The hon. member is asking for a French copy of the Bill?

Mr. FONTAINE: Oui, Monsieur.

The CHAIRMAN (Mr. J. M. Douglas): The French copies are on the way from the Printing Bureau, but as the Bill has been read a second time, no exception can be taken at this time.

Mr. BUREAU: The hon. member is not taking any exception; he is asking for a French copy.

The CHAIRMAN (Mr. J. M. Douglas): The French copies are on the way from the Printing Bureau.

Mr. NICHOLSON (Algoma East): Will the minister take into consideration the matter to which I have referred, because it is of vital importance in many parts of the country?

Sir HENRY DRAYTON: I will do so, and I should be very much obliged if the hon. member and any other hon. member who is interested in the matter would come and see me about it.

Mr. ROBB: In considering that matter, the minister should also take into consideration the position of Canadians who are now moving into the United States. More young men are at present going into the United States and seeking work there than during the past fifteen years. There should be a reciprocal arrangement between the United States and Canada as regards citizens moving from one country to the other.

Section agreed to.

On section 7—5 per cent added to tax and surtax on incomes of $5,000 or more.

Mr. NESBITT: Why does the minister make this retroactive, and what will he do in cases where the tax has already been paid for 1919?

Sir HENRY DRAYTON: No income tax has yet been paid for 1919. The tax is not levied; the returns were due only on the 31st of last month, and in one sense this is not retroactive at all. The tax is to be paid this year, and we are getting the extra 5 per cent on the taxes to be paid this year because we need the money.

Mr. NESBITT: I quite appreciate that. But when the minister says that none has been paid, I understood from one corporation that they had paid their 1919 taxes.

Sir HENRY DRAYTON: The commissioner informs me that it is quite impossible that they should have done that. No assessment has been made at all. The assessment is held up on account of this Bill.

Mr. NESBITT: I do not like to doubt the word of the minister.

Mr. PROULX: Does this mean 5 per cent before exemptions are deducted or after they are deducted?

Sir HENRY DRAYTON: This means taxes on incomes of $5,000 and upwards.

Mr. CURRIE: How can the minister justify his action in starting to impose such heavy taxation on the people in addition to

their present taxes? I have read his statement to the public as to expenditures and the amount that he expects to collect, and as nearly as I can figure the matter out, he is going to show a surplus of about $150,000,000 this year. Therefore, I cannot see any necessity of imposing further taxation on the people. The newspapers state that 80 per cent of the members do not pay taxes, so that those who have to pay taxes say that members of Parliament who do not pay taxes want those who pay taxes to be taxed still further. I must be very dull on figures, because I cannot understand the necessity for this additional taxation when most of the expenditures we have this last year, such as Soldiers Civil Re-establishment and so on are going to be dropped this year. As regards the $50,000,000 that we have to pay on account of the railways, we must secure some one to manage the railways in such a manner that the revenue will cover the expenditure, because we cannot be always making up deficits. The minister has dropped one expenditure of $30,000,000 and another one of $35,000,000. What then are we going to tax people so much for? The proper procedure would be to cut off taxes instead of adding to them.

Mr. BUREAU: We shall be dead before they are cut off.

Mr. CURRIE: That is my view of the matter, and I want to know if the minister expects to have any unforeseen expenditures this year.

Mr. BUREAU: There is a deficit.

Mr. CURRIE: There was no deficit this year.

Mr. BUREAU: What about the railways?

Mr. CURRIE: The operation of the railways was paid out of current revenue. The hon. member does not read the statements of the affairs of the country or he would not make such statements. The interest on the bonds were paid out of current revenue and after we had paid for the railways and the bonds and everything else, we had $30,000,000 odd this year over. This imposing of heavier taxation is a mystery to me unless the intention is to tax everybody to death.

Mr. NICHOLSON (Algoma East): I should like to know whether the words—

> The addition of 5 per centum to the amount of each of the said taxes and surtaxes.

—mean that 5 per cent will be added to the normal tax and 5 per cent to the surtax as well?

[Mr. Currie.]

Sir HENRY DRAYTON: 5 per cent to the total of all the taxes.

Mr. NESBITT: If you mean to add this to the normal tax and then to the surtax, that would be 10 per cent, and the minister might as well tell us whether that is the case or not.

Sir HENRY DRAYTON: No, it is 5 per cent on the total of the taxes. For example, the tax on $5,000 is $120. If you add 5 per cent to that, that means $6, or a total of $126, and the same will apply throughout.

Mr. NESBITT: That is very relieving.

Mr. McKENZIE: This clause reads:

> The several taxes and surtaxes prescribed by subsections 1 and 2 of this section are hereby increased by the addition of 5 per centum to the amount of each of the said taxes and surtaxes payable—

And so forth. A certain amount is now payable under the present law. Does this mean that 5 per cent should be added to the amount that the man is now called upon to pay.

Sir HENRY DRAYTON: Five per cent of the total amount he has to pay under the present law.

Section agreed to.

On section 8—partnerships:

Mr. NESBITT: Would the minister read the clause as amended?

Sir HENRY DRAYTON: The present Act reads:

> Any persons carrying on business in partnership shall be liable for the income tax only in their individual capacity; provided, however, that a husband and wife carrying on business together shall not be deemed to be partners for any purpose under this Act. A member of a partnership or the proprietor of a business whose fiscal year is other than the calendar year shall make a return of his income from the business, for the fiscal period ending within the calendar year for which the return is being made, but his return of income derived from sources other than his business shall be made for the calendar year;

The whole change made here is that the taxpayer not only makes the return but the computation on that return. That does not come into force this year, but next year. Under the Budget proposals the taxpayers are in future to assess themselves so as to save time and get the money in at once.

Section agreed to.

On section 9—income from pensions:

Mr. BUREAU: What is the change here?

Sir HENRY DRAYTON: Paragraph (j) of section 5 of the present Act reads:

—the military and naval pay of persons who have been on active service overseas during the present war in any of the military or naval forces of His Majesty or any of His Majesty's Allies.

There seems to be no reason for that to be continued, so it is struck out. Paragraph (l) reads:

—income derived from any pension granted to any member of His Majesty's military, naval or air forces..... and the income derived from any pension granted to any dependent relative of any person who was killed or suffered any disability while serving in the said forces in the said war.

As it reads now, it says that the "income from pensions" shall not be taxable, but it is the pension itself that should not be taxable, and so we say that no pension so earned shall be taxable. Instead of reading "income derived from any pension," it will now read: "any pension" granted to any member of His Majesty's military, naval or air forces or to any relative, and so forth. It would be manifestly unjust to tax those pensions. They are used annually; they are not invested. The idea is to make it clear that the soldiers' pensions are not taxable.

Section agreed to.

On section 10—one-quarter tax to be forwarded with return; balance may be paid by instalments with interest:

Mr. BUREAU: Why is the taxpayer required to forward one-quarter of the tax with his return? I think it is only fair that a man should first get his bill certified by the authorities before he pays any instalment.

Sir HENRY DRAYTON: Perhaps it is a good thing that the painful process of extracting the tax should be started as soon as possible. It is really a good thing for the taxpayer. There have been any number of complaints by taxpayers that they did not get their bills soon enough.

Mr. BUREAU: They are superpatriots.

Sir HENRY DRAYTON: Nevertheless, that is a fact. These complaints have been made. Furthermore, there is no reason why the money should not be paid at the earliest possible moment.

Mr. BUREAU: I agree, but I want to get my bill before I pay.

Sir HENRY DRAYTON: You make out your own bill.

Mr. BUREAU: I may not agree with the man who receives it at the other end.

Sir HENRY DRAYTON: That may be, but we feel that it is important that the money should be paid at the earliest possible moment and that the department should not waste a lot of time determining what the real income is.

Mr. FIELDING: I see a difficulty in the direction indicated by the hon. member for Three Rivers. A man will be obliged to be his own assessor in this matter and very many men will not be able to determine what their taxable income is. The hon. minister says that there must be an investigation, and that very fact shows that the innocent taxpayer himself may be in doubt. I agree that once a man has received his bill the sooner you can get the money the better. But the ordinary man will have some difficulty in deciding what his taxable income is. He will put items in one way or the other which the department may not approve of. How is he to know what his actual tax is until he gets his bill? I sympathize with the minister in his desire to get the money as quickly as possible and to reduce the labour of the tax gathering authorities, who will have a troublesome job, but at the same time there is something in the criticism of the hon. member for Three Rivers, and until a man has received his tax bill I do not see how he can make a payment on account.

Mr. DuTREMBLAY: I think the contention of the hon. member for Three Rivers and the hon. member for Shelburne and Queen's is absolutely correct. Under the present law it is extremely difficult for ordinary people to determine the amount they have to pay each year. The collectors will tell you that in Montreal thousands of people are faced with this difficulty and want to know what this or the other item means, and there is great room for error and misunderstanding. I think that the Government should send the bill to the taxpayer. It is very unfair to put the people in such a position as to be liable to a penalty if they do not pay up within a certain time, when they have no means of properly complying with the law.

Mr. NESBITT: The tax for 1919 has not been paid. Have the statements been sent out to the people?

Sir HENRY DRAYTON: Yes.

Mr. NESBITT: Are they supposed to send in those statements in accordance with the clause?

Sir HENRY DRAYTON: No; this section does not come into force until next year.

Mr. NESBITT: It applies to 1920.

Sir HENRY DRAYTON: It applies to incomes received in 1920 which are to be returned in 1921.

Mr. ROBB: The situation is somewhat complicated by the multiplicity of taxes. For instance, there is an allowance for business profits tax and also an allowance in regard to taxes already collected on dividends. If there were only one tax, the income tax, the matter would be simpler, and it would be sound business for the debtor at once to make payment. But the minister himself, by the multiplicity of taxes, is going to make the situation difficult; and later on, before the clause passes, I shall direct his attention to the question of penalties. It seems to me that the penalties are rather extreme in view of the dangers which threaten people who may innocently make mistakes in rendering their accounts. Even the minister realizes this, because he anticipates, according to the clause, that there will be many bankruptcies on account of this taxation and he makes provision for such cases. This clause needs revision.

Mr. DENIS: I observe that in his Budget Speech the minister says that in all cases where it is discovered that over-payment has been made by the ratepayer, a refund for the amount must be immediately made to him or applied on any instalment due or becoming due. This would to a considerable extent relieve the severity of the law now under discussion; but so far as I can see, no cognizance has been taken of this statement in the legislation we are now considering.

Mr. McCOIG: Might not the minister allow this clause to stand? There will be many objections from different members of the House to its passing, and the hon. member for Shelburne and Queen's and the hon. member for Three Rivers have already expressed opinions which the minister should take into consideration. I think the minister might let it stand.

Sir HENRY DRAYTON: Until eight o'clock.

Mr. McKENZIE: A certain questionnaire is now sent out and questions are to be answered by the taxpayer. That form is sent back and the rest of the work is done by the department. The amount is ascertained and the bill is sent to the taxpayer. Speaking for myself, I should think that it would be better to continue that form. The people in the last two or three years have become accustomed to it, and I would suggest to the minister that he stand by the old method of having the amount ascertained in the department and sending the bill direct to the individual. I venture to say that this new proposal is only duplicating the work; hardly one man in a hundred will be able to ascertain the proper amount he has to pay, and it may be discovered in the long run that the whole thing is wrong and has to be done over again. I do not say that any taxpayer will intentionally give a wrong return, but this will happen, and the department will discover that there are errors and a duplication of work, and possibly the taxpayer will be subject to a fine because he innocently failed to make a correct return. I seriously bring this matter to the consideration of the minister, and would suggest that the amount be ascertained by the department itself. After the department has obtained the facts it can send the bill direct to the man. As to what terms the department may make with the taxpayer as to instalments and so forth, that is a matter for their consideration. I do say that the amount of the bill should be ascertained when the proper machinery is present for ascertaining it.

Mr. SINCLAIR (Guysborough): The minister might make it plainer for the people if he put on the margin of the form a table showing the tax. Most people have not the statutes before them. Some of the banks have published a little pamphlet with a scale showing what the tax would amount to on certain incomes and that is very handy. Many people have not got that. When the minister is making a new form it would be easy to put on the margin something that would let people know the amounts that they would have to pay. That is all the more necessary owing to the fact that the minister is asking the people to advance 25 per cent of the tax when making their return.

Mr. LOGGIE: It strikes me that in the end it would be much more satisfactory if the minister would continue having the returns made as they have been made. Let the taxpayer, when he is sending in his return to be approved, send in 25 per cent of the approximate amount and then make the tax due and payable after the return has been passed upon by the department.

Sir HENRY DRAYTON: Twenty-five per cent cash?

Mr. LOGGIE: Twenty-five per cent in cash and the balance after it has been passed upon by the department.

Progress reported.

At Six o'clock the House took recess.

## After Recess.

The House resumed at Eight o'clock.

### PRIVATE BILLS.

#### SECOND READING.

Bill No. 145 (from the Senate) for the relief of John William Wallace.—Mr. Wallace.

#### FIRST READING.

Bill No. 162 (from the Senate) for the relief of Margaret Henrietta Pettit.—Mr. Mowat.

### BANKRUPTCY ACT AMENDMENT.

Hon. HUGH GUTHRIE (Acting Solicitor General) moved the second reading of Bill No. 126 to amend the Bankruptcy Act. He said:

The House is aware that during the first session of 1919 a Bankruptcy Act was passed by this Parliament. That Act did not go into force at the passing thereof but by its provisions was to go into force upon proclamation being made therefor by the Governor General in Council. Early in the present session the proclamation was issued bringing the Bankruptcy Act into force on the 1st of July next. The Act itself is rather a comprehensive measure and somewhat intricate. One object in allowing a lapse of time between the passage of the Act and its coming into operation was to give the people an opportunity of understanding it, and during the past year there have been certain criticisms levelled at it. A number of suggestions have been received from Chambers of Commerce, from mercantile associations, from judges and from Bar associations suggesting certain amendments which had not occurred to any member of the House when the Bill was in committee last year. These have now been examined and passed upon by the law officers of the Crown, and it is felt that a number of them should be incorporated in the Act for the purpose of simplifying and making it generally more workable. It would be a difficult thing on a motion for the second reading of the Bill to discuss these matters as they appear in the Bill itself—they are somewhat technical,—but most of the amendments I think are rather clerical than otherwise. I would ask the House to pass the second reading and allow the Bill to go into committee when the various amendments proposed can be more fully explained.

Motion agreed to and Bill read the second time, and the House went into committee on the Bill, Mr. Steele in the Chair.

On section 2—"debtor."

Mr. GUTHRIE: The only change made by clause 2 as printed in the Bill is to insert the words, "except by leave of the court" in line 21, and also the words, "or afterwards by leave of the court" in line 25. The reason for the amendment is simply this., By the Act passed last session all corporations were placed under the jurisdiction of the Bankruptcy Act for the purpose of winding up. It has been suggested that some of the provisions of the old Winding-Up Act, as to assets and as to the rights of creditors and the rights of contributories, might in some rather indefinite cases be useful for the court in settling the assets of an estate or the rights of contributories. It has been suggested by some of the judges of Canada that if any of these special cases should arise, by leave of the court the aid of these clauses in the Winding-Up Act might be invoked under the Bankruptcy Act, but it would only be in special cases, and therefore the words inserted in the amendment are, "except by leave of the court." I see no objection to the amendment, though personally I thought the section was good enough as it stood.

Amendment agreed to, and section as amended agreed to.

On section 3—"Locality":

Mr. GUTHRIE: The only change in that is with regard to the term of six months during which the debtor carries on business. In the Act as passed the language was:

> —within a bankruptcy division or district where at the debtor has carried on business for the longest period during the six months immediately preceding the date of the presentation against him of a bankruptcy petition.

The proposal now is to strike out the words, "for the longest period during the six months" and insert the words, "whereat the debtor has carried on business at any time during the said six months immediately preceding the date of the presentation against him of a bankruptcy petition."

It may be hard to ascertain just where an insolvent debtor has carried on business for the longest period during the last six

months, and it has been suggested it would make it more definite if the enactment were in the form suggested by this amendment.

Mr. TRAHAN: Have the bankruptcy divisions or districts been established by the Government?

Mr. GUTHRIE: I am under the impression that they have. The operation of the Act is now under the Department of the Secretary of State. I have discussed the matter with the Under-Secretary of State, who is very familiar with the whole matter, and my information is that the rules have been prescribed, the bankruptcy divisions established, and I think probably the list of trustees has been more or less completed; I do not think it is finally completed, and will not be, until this amending Act is passed. My information is that all the machinery is well under way for the coming into force of the Act on the 1st of July next.

Mr. LEMIEUX: The proclamation has been issued?

Mr. GUTHRIE: Yes.

Mr. LEMIEUX: Were the districts created by that proclamation?

Mr. GUTHRIE: No, they are prescribed by rules and regulations.

Mr. TRAHAN: Will these rules and regulations be printed and distributed before the 1st of July next?

Mr. GUTHRIE: They are practically ready for distribution; I think my hon. friend could get a copy of them to-morrow. They will be slightly amended in consequence of these amendments.

Mr. TRAHAN: These rules have been made by the Under-Secretary of State?

Mr. GUTHRIE: By the Governor in Council.

Mr. TRAHAN: In order that they shall come into operation is it not necessary that they shall be submitted to the approval of Parliament?

Mr. GUTHRIE: No, I do not think that is necessary.

Section agreed to.

On section 4—affidavit:

Mr. GUTHRIE: In the original Act this section reads as follows:

> The petition shall be verified by affidavit of the creditor or of some person on his behalf having knowledge of the facts.



The manner of the service and the manner of the verifying are prescribed by the rules; it is considered that the amendment is better drafting than the clause as originally drawn.

Mr. TRAHAN: But these rules may be changed by the Governor in Council?

Mr. GUTHRIE: Yes, the rules of practice may be changed.

Mr. TRAHAN: And the Governor in Council may change the procedure in connection with the affidavit? Would it not be preferable to leave the clause as it stands? Why leave this question of procedure to the Governor in Council?

Mr. GUTHRIE: The memorandum which I have says that the judges who have gone over the Bill suggest that we do not change the old form prescribed in the Winding-Up Act—a form which has been in force in this country for thirty or forty years.

Section agreed to.

On section 5—proceedings taken in wrong court:

Mr. GUTHRIE: Subsection (11) is a new provision. The proceedings should not be nullified, simply because a man files his petition in the wrong court. In this provision the court is given power in such a case to transfer the proceedings to the proper court.

Mr. COPP: I assume that "wrong court" would mean a court without jurisdiction?

Mr. GUTHRIE: The right court would be the court having jurisdiction. The judge in bankruptcy would have the right to transfer the proceedings to the proper court.

Mr. TRAHAN: He should have not only the right but the obligation.

Mr. LEMIEUX: I am not a master of the English language, but it seems strange that the expression "wrong court" should be used. Why not say, "a court not having jurisdiction?"

Mr. GUTHRIE: The petition might be filed in a court having jurisdiction in the province of Quebec whereas it should have been filed in a court in Ontario. The words "wrong court" here mean, I think, courts which are not bankruptcy courts; I think they are intended to cover any court; if a petition is filed in the Supreme Court of

Ontario and should not be there, it may be transferred to the proper court.

Mr. ARCHAMBAULT: Does it mean that if the proceedings are instituted in Ontario they may be transferred to the province of Quebec?,

Mr. GUTHRIE: The bankruptcy judge would have that power. Bankruptcy courts are federal, not provincial courts.

Section agreed to.

On section 6—receiving orders and assignments to take precedence of attachments, executions, etc.:

Mr. GUTHRIE: This is a rather peculiar change, but it is one which I do not think objection can be taken. In the Act as passed we had a provision at the end of subsection (1) which was inserted having regard to the provinces of Nova Scotia and New Brunswick, although it did not name them. In those two provinces a different practice obtains from that prevailing in the other provinces in regard to judgment debts. There judgments are looked upon as securities; a man taking a judgment will keep it in force for a great number of years, keeping it more as a mortgage than as a judgment, and obtaining annually his interest from the debtor. I understand that a good deal of money is thus invested in those two provinces, and to protect such judgments the House inserted this provision in the Act of last session:

> Provided that this paragraph shall not apply to any execution or other process issued against real or immovable property under or by virtue of a judgment registered prior to the coming into operation of this Act, which judgment, as the result of such registration, became, under the laws of the province wherein it was entered a charge, lien or hypothec upon or of such real or immovable property.

It has been suggested that this provision be struck out and that a clause be inserted in the terms of clause 7 of the Bill now before us, limiting the application of that provision to Nova Scotia and New Brunswick.

Section agreed to.

On section 8—avoidance of preference in certain cases:

Mr. GUTHRIE: This clause has a history. In the form in which it appears in the Bill before the committee, it was practically in the Bill which went before the special committee in the spring session of 1919. It is an embodiment of the Ontario statute, and I think it is the law if not in all, in many of the provinces of the Dominion of Canada. The special committee which dealt with the Bill in 1919 saw fit to change it, and we thought we had improved it. When it came before the House it was passed in the form in which the committee submitted it. When, however, it came before the Senate, it was again amended in the form in which it now appears in the Bankruptcy Act. As it appears in the enactment of to-day it is the law neither of the province of Ontario nor of any of the other provinces. There is no great variation, I am bound to say; but there are some slight changes in language in this clause which is one of the important clauses of the Bill, and I think the result will be that all judicial decisions which we have had the benefit of in Canada heretofore will not apply to this section as passed by the House last session. Consequently, those who take a deep interest in this measure have come to the conclusion that it would be far wiser to adopt the Ontario law upon the subject which is, as I say, the law in a majority of the provinces of Canada at the present time. The amendment now proposed is practically an adoption of the Ontario clause. It does not make much change in the clause as originally passed; it strikes out these words:

> If made, incurred, paid, taken, or suffered, with such view as aforesaid.

That is, with a view of giving a preference. It inserts subclause 2 in the Bill before the committee:

> If any such conveyance, transfer, payment, obligation or judicial proceeding has the effect of giving any creditor a preference over other creditors, or over any one or more of them, it shall be presumed prima facie to have been made, incurred, taken, paid or suffered with such view as aforesaid whether or not it was made voluntarily or under pressure and evidence of pressure shall not be receivable or avail to support such transaction.

Where such a transaction as that is impeached, it shall be presumed prima facie to have been a preferential transaction and consequently, void as against a trustee in bankruptcy.

Mr. LEMIEUX: Void, ipso facto?

Mr. GUTHRIE: Not as between the parties, but only as against the trustee having a prior claim. I think it is wise to put in the well-understood clause of so many provinces and so to remove any doubt which may exist by virtue of the Senate's amendment of last year.

Mr. ROBB: The minister would not care to alter the clause to this extent, that if a

party who secured a mortgage had delivered goods within, say sixty days of the demand for bankruptcy, then the mortgage or guarantee might stand good?

Mr. GUTHRIE: I do not quite understand the question. Three months is the term limit of the clause. Your six months' mortgage, if not fraudulent, if a bona fide transaction, would be good.

Mr. LEMIEUX: But nothing prevents a trustee, even if the transaction be of older date, to prove fraudulent intent?

Mr. GUTHRIE: It might be fraudulent, no matter how old it is. There is no question of the presumption.

Mr. LEMIEUX: There is no bar to proving fradulent intent?

Mr. GUTHRIE: Not at all.

Section agreed to.

On section 9—recovery:

Mr. GUTHRIE: The change in this clause is very slight. Under the Act as passed under the circumstances stated, the section provided that—

> The trustee may, with the approval of the inspectors of the estate, institute in a court having jurisdiction in debt to such amount, an action or other proceedings for the recovery thereof.

This clause is much simpler; it reads:

> If at the expiration of thirty days from the date of the service of such demand the contributory has not paid to the trustee the required amount, the trustee may take proceedings against the contributory for the recovery thereof in the manner provided by General Rules.

The distinction is this. The manner provided by general rules will be in a bankruptcy court. In the Act as passed, the proceedings could be taken in any court of competent jurisdiction. It has been thought that bankruptcy matters should be dealt with, in so far as possible, in a single court, in a federal court, and if a contributory is ordered to pay money and does not pay it, the trustee would go to the bankruptcy court in order to take proceedings.

Mr. COPP: May I be permitted to ask the minister a question in regard to section 31, which reads:

> Every conveyance or transfer of property or charge thereon made, every payment made—

And so forth? Supposing a man conveys a transfer by way of mortgage to another man who may be a creditor and the latter advances him more money, what position would that creditor be in?



Mr. GUTHRIE: I am afraid that would be regarded as a preferential claim and would be set aside. If the transaction is made "with a view of giving such creditor a preference over other creditors" or has the effect of doing so, "if the person making, incurring, taking, paying or suffering the same is adjudged bankrupt on a bankruptcy petition presented within three months after the date of making, incurring, taking, paying or suffering the same," the same shall be adjudged a preference.

Mr. COPP: That is going a pretty long way.

Mr. GUTHRIE: I think that is the law in my hon. friend's own province.

Mr. COPP: Only as regards personal property, not real estate. It has that effect in the case of a bill of sale, but not in the case of a mortgage.

Mr. GUTHRIE: I do not see any reason for the distinction between a mortgage and a bill of sale. Property is property, and creditors have the right to get after it. I do not see why it should be impeached in the one case and not in the other. I know that in Nova Scotia and New Brunswick they have laws more or less favourable to creditors in regard to real estate. Those judgments which I spoke of a few moments ago are but instances of that. I think the proper principle is to place all creditors as far as possible on an equal footing, and to abolish as far as we can all preferences between them.

Mr. COPP: The difficulty will be this. A man might be a creditor and someone in need of money may go to this same creditor and borrow $5,000 giving a mortgage on real estate for security. The creditor has the title searched, finds it is all correct, and takes the mortgage. The real estate is clear of all encumbrances so far as he knows. He advances the $5,000 to enable the man to carry on the business and at the end of three months he may be out the $5,000.

Mr. GUTHRIE: He would not lose it; he would be an ordinary creditor for it.

Mr. COPP: He would only rank with the other creditors irrespective of his security. I am afraid it would have the effect of interfering with legitimate business.

Mr. McKENZIE: Are these General Rules referred to in subsection 8 new rules that are to be passed? Why should not the minister adopt the practice in the different provinces? In Ontario, for instance, they have the Judicature Act, just

as we have in Nova Scotia, and a well-established practice, and the same is true of all the other provinces. It would be rather awkward for a man who is getting well up in years like myself to have to learn a new procedure and practice. The Judicature Act is the procedure in all the courts in England, and I do not see why it should not be applicable in collecting a debt in this court.

Mr. GUTHRIE: The Judicature Act is not the practice in bankruptcy proceedings in England. The rules there are just as we propose to pass them here. My hon. friend was probably present in the House last year when that question was raised, and he will remember there was a pretty full discussion on it. One reason for passing these rules is to simplify the practice and make it uniform throughout the whole of Canada. At the present time we have different forms of practice in the courts of the various provinces of the Dominion. A man may wish to invoke the aid of a bankruptcy court in British Columbia, and may reside in Nova Scotia. There is only one petition, only one procedure. The idea has been to make this as simple as possible, and to make it uniform. I am satisfied that my hon. friend (Mr. McKenzie) will have no difficulty in following this practice. I took the opportunity a few days ago of reading through the practice, and I think it much more simple than any practice we have in the Ontario courts. I think the chief thing to be gained is uniformity and simplicity. This, I think, will be obtained in the rules when they are issued. They have been printed and are practically complete. There may be one or two changes necessary in consequence of these amendments, but otherwise I am assured by the Under-Secretary of State they are about ready for distribution.

Section agreed to.

On section 10—distribution of estate of bankrupt after notice:

Mr. GUTHRIE: There is a very slight change in this section. The note I have on it is that this amendment is asked merely to correct a mistake in the wording which crept into the Act of last year. So far as I can find out the only change is that they have inserted the words at line 43 "as provided by section 42, subsection 2 of this Act," and in line 46 they have used the word "regulations" instead of the word "notice." I think these are simply clerical errors, and I do not see any objection to them all.

Section agreed to.

On section 11—not to exceed 5 per cent.

Mr. GUTHRIE: This clause was suggested by my hon. friend (Mr. Jacobs). It deals with the question of remuneration of trustees. Certain representations have been made to the Government that the absolute limitation of a trustee's fee to 5 per cent in every case would undoubtedly work a hardship in some cases, particularly where the assets were small and the amount of work to be performed by the trustee was abnormally large. It has always been the custom in Canada for the creditors themselves or the inspectors to decide on the amount of the trustee's fees, in cases where the trustee asks for more than 5 per cent. This practice we think should continue except in cases where the trustee is able to pay the creditors one hundred cents on the dollar, in which case the debtor would have an equity and the court should then decide. As the Bill passed last session 5 per cent was the limitation in all cases, great and small. We deliberately took it out of the hands of the creditors. It has been pointed out to us, how ver, that in cases of small estates 5 per cent may be too small a fee. The proposed amendment will leave it in the hands of the creditors and inspectors—I think it is only the creditors—to fix the amount in the case of small estates.

Mr. PARENT: This section does not seem to show that the creditors are going to fix the amount of indemnity to be paid the trustees.

Mr. GUTHRIE: We have another section on that. This is merely striking out that 5 per cent limitation.

Section agreed to.

On section 12—inspectors' fees.

Mr. GUTHRIE: The former enactment provided that each inspector might be paid his actual and necessary travelling expenses "in and about the performance of his duties, and such sums only." The committee that threshed this matter out and also the committee of the House were inclined to think that the inspectors should be paid actual expenses. That was the view of the House when the Bill went through, and we so provided. However, this is the suggestion of my hon. friend from George Etienne Cartier (Mr. Jacobs), and after giving the matter fuller consideration than was given it last year I have come to the conclusion that the proposal is not unreasonable. It fixes a fairly modest fee for inspectors, having regard to the amount of the estate, and I arranged with my hon. friend that I would

take no exception to the clause being introduced. It was introduced in a public Bill brought forward by my hon. friend at the beginning of the session.

Mr. McKENZIE: Is there anything in the Bill to limit the number of meetings that can be held? I followed the Bill closely last year but I do not remember its terms. Some unscrupulous man might have too many meetings.

Mr. GUTHRIE: I do not know that there is any actual limitation. Clause 42, which is rather lengthy, provides for the meetings that are to be held. The first meeting shall be held immediately after assignment and subsequent meetings may be called at any time by the trustee if he is requested to do so by a certain number of creditors. I do not see any power for inspectors to call meetings; that power rests in the hands of the trustees and creditors.

Section agreed to.

On section 13—proofs of debts.

Mr. GUTHRIE: The old section is very much like this. It reads:

Every creditor shall prove his debt as soon as may be after the making of a receiving order or after the date of an authorized assignment.

Mr. PARENT: Is there any form of procedure provided in regard to evidence?

Mr. GUTHRIE: He just makes his affidavit. A majority of the creditors may dispute his claim and, of course, he will have to prove it in court.

Mr. LEMIEUX: "As soon as may be" is rather vague, is it not?

Mr. GUTHRIE: I think not; it means as soon as possible or convenient. You cannot very well impose a time limit on a creditor, because he may not be in the country. You have to be reasonably careful of the claims of creditors. So long as the estate has not been actually distributed a creditor may come in under the Act we passed last year. The object is to expedite the matter as much as possible and get all creditors before the trustee at the earliest possible moment.

Mr. LEMIEUX: Is there no time limit?

Mr. GUTHRIE: Not for the proving of a claim. If the estate has been distributed then, of course, the creditor's claim is barred.

Mr. COPP: Is there any provision limiting the time in regard to the distribution of the estate?

[Mr. Guthrie.]

Mr. GUTHRIE: There is.

Section agreed to.

On section 14—partners and separate estates.

Mr. GUTHRIE: The change here is in the last clause. Subsection (3) reads:

If there is a surplus of the joint estate, it shall be dealt with as part of the respective separate estates in proportion to the right and interest of each partner in the joint estate.

The section as passed last year read:

If there is a surplus of the separate estate, it shall be dealt with as part of the respective separate estates in proportion to the right and interest of each partner in the joint estate.

We have just reversed it.

Mr. LEMIEUX: A man may be a bankrupt in connection with a business in which he was a partner, and might be solvent as regards his own private business. Personally he is responsible for any debts incurred in connection with his own private business, but as a partner in a business he is responsible only in so far as the business is responsible. How do you treat that situation?

Mr. GUTHRIE: I quite understand the question. The defect in the section as printed was due to the fact that the printer left three lines out, and I was not aware of that fact until I looked at my memorandum which the Under-Secretary of State prepared. He says that the object of this amendment is merely to insert three lines omitted by the printer. I think that the languages of subsection (3) answers my hon. friend much better than I can answer him.

In the case of partners the joint estate shall be applicable in the first instance in the payment of their joint debts, and the separate estate of each partner shall be applicable in the first instance in payment of his separate debts.

That is the declaration of the common law. If after using the separate estate a man still has money left it can go to pay the partnership debts.

Mr. LEMIEUX: Even in the case of a limited business?

Mr. GUTHRIE: I am not familiar with limited partnerships. There is a law in Ontario permitting limited partnerships, but I have not heard of one.

Mr. JACOBS: There is a law in regard to limited partnerships in Quebec also. In Quebec, the partner is only liable for the amount of money he agrees to contribute, and nothing further. He is merely like a

stockholder in an ordinary joint stock company, and I assume that this law will not interfere with that rule. When the partnership is registered, notice is given to the commercial public that the limited partner is liable only for a certain sum and nothing further, and I presume that he could not be held under this section for any further sum.

Mr. GUTHRIE: This section would not hold him liable.

Mr. LEMIEUX: That is the point I had in mind.

Section agreed to.

On section 15—penalty for failure to attend for examination.

Mr. GUTHRIE: There is only one change; in the eleventh line of the old Act, the word "debtor" is changed to the word "him." But rather than have the section amended we repeal it and put in an entirely new section, so that when the Act comes into force it may have as few small amendments as possible.

Mr. JACOBS: Is the punishment of twelve months the same as under the English Bankruptcy Act?

Mr. GUTHRIE: I do not know. We threshed these penalties out pretty well when we passed this particular section last year, but I do not know whether it is the same as the English Act. I am inclined to think it is.

Mr. LEMIEUX: Is the party who fails to appear treated as a criminal or does the person at whose instance he is put into jail contribute to his maintenance?

Mr. GUTHRIE: I think he would be treated as any other prisoner in the jail; his maintenance would be paid for by the municipal or provincial authorities. His imprisonment would be imprisonment for contempt of court.

Mr. LEMIEUX: In our practice in the province of Quebec—I am not familiar with the practice in the other provinces, although I was Solicitor General for a time—in a case of contempt of court, say, or of action for damages, the court may declare that a certain sum be paid or in default the person be sent to jail. A debtor remains in jail so long as a stated sum per week is paid by the creditor. If the creditor fails to pay for the maintenance of the prisoner, who is placed in what is known as the debtors' ward, the debtor walks out and is free. Is it the same in this case when the debtor fails to appear after being ordered to do so?

Mr. GUTHRIE: I would not think so. The law which my hon. friend speaks of was at one time in force in England, but that was many years ago. I do not believe that that law was ever in force in Ontario; at any rate, not in my time.

Mr. JACOBS: It is still in force in Quebec.

Mr. GUTHRIE: I remember a discussion on that point last year, and in certain actions for damage in that province, I believe, a man can be imprisoned. But in this section the man would be punishable for contempt of court for refusing to obey the summons of the court, and his maintenance would be at the expense of the municipal or provincial authorities.

Mr. JACOBS: If in the meantime the debtor shows his willingness to give satisfactory answers to the questions, could he not by application be brought before the court and, after having given those answers, be freed? That is to say, as we say in Quebec law, if he purges himself of his offense, would he not be released forthwith? That would be the rule under contempt of court proceedings in our province.

Mr. GUTHRIE: Under this provision he has a fairly good remedy in his own hands. If he refuses to attend and give evidence they have to summon him and bring him up again, so that he has ample opportunity.

Then after his second refusal:

—the court may, by warrant, cause him to be apprehended and brought up for examination—

He may first of all be brought up for examination.

—and may order him to be committed to the common gaol of the judicial district in which he resides for any term not exceeding twelve months.

Mr. JACOBS: Supposing the debtor has seen the error of his ways after serving six months?

Mr. GUTHRIE: He may make application for clemency.

Mr. JACOBS: Application to the executive clemency of the Solicitor General? May the Lord have mercy on his soul!

Mr. McKENZIE: Reading beyond line 20 there seems to be some doubt as to the protection afforded to one who refuses to answer a question. It is well known that if a man is asked a question which tends to incriminate him, he is not bound to answer it. There seems to be a statement

here to the effect that if there is any impediment in the way of producing a book or an account he is excusable. I think it is very doubtful if that applies to a man who refuses to answer a question. It is not sufficiently plain to me that if he has any excuse for refusing to answer a question he is excused, whereas if there is any impediment in the way of producing a book or an account he will be excused. The general rule is that a man is not obliged in a civil proceeding to answer any question that tends to incriminate him.

9 p.m.

Mr. JACOBS: Or in a criminal proceeding.

Mr. GUTHRIE: The section covers the point raised by my hon. friend Mr. McKenzie if he will read it carefully. The section reads from line 20 on:

—or, if attending, refuses to make satisfactory answers to any questions asked him or refuses to produce any book, document or other paper,

There is a comma.

—having no lawful impediment made known to the examiner at the time of his sitting for such examination and allowed by him.

I think that qualification applies to his refusal to answer a question as well as his refusal to produce a book or paper. I think that the word "impediment" would cover either ground of privilege that a witness might urge.

Mr. McKENZIE: If the minister thinks it is clear that "impediment" is common to both grounds, of course I will be satisfied, but I never saw the word "impediment" used as an excuse for not answering a question. There might be an "impediment" in the way of producing a book—some one else might have the book and the witness might not be able to get it—but the use of the word "impediment" as applied to a condition under which he may refuse to answer a question is new legal phraseology to me.

Mr. GUTHRIE: If it is an impediment recognized by law a man would be able to claim privilege under it.

Mr. JACOBS: Does not the Acting Solicitor General think it would be wise, in view of the importance of the question to be decided under the section, to insert a declaration that nothing in section 15 shall take away the right given by the Criminal Code to any person who claims to be allowed not to answer a question on the ground that it might incriminate him?

[Mr. McKenzie.]

Mr. GUTHRIE: I think the Criminal Code itself would do that.

Mr. JACOBS: These are two statutes side by side.

Mr. GUTHRIE: The language is taken directly from the English Act.

Section as amended agreed to.

On section 16—solicitors' and witness fees.

Mr. GUTHRIE: In the clause of the Act which was passed last session we provided:

All attorneys, solicitors and counsel acting for the trustee or for the estate of a debtor in respect of proceedings under this Act, shall be paid out of the assets of such estate their reasonable costs and fees as fixed in a tariff provided by General Rules; but, except as hereinafter provided, the aggregate amount of such costs and fees so payable out of the assets of estates whereof the gross proceeds exceed five thousand dollars shall not exceed five per centum of such gross proceeds.

We have struck out the "five per centum" and the "gross proceeds."

Mr. JACOBS: Hear, hear.

Mr. GUTHRIE: My hon. friend says, "Hear, hear." Well, this is at his own suggestion. I think the amendment is a good one and I have no hesitation in saying the committee ought to accept it.

Mr. JACOBS: When the Bill left this House last year the section was pretty much in the shape proposed in the amendment, but when the Bill came back from the Senate it had this objectionable clause which we are now seeking to remove.

Section as amended agreed to.

The CHAIRMAN: Section 17—undischarged bankrupt obtaining credit.

Mr. GUTHRIE: Before you read that section may I ask the committee to consider these sections: Since the Bill was introduced two very eminent judges of Canada have suggested two sections. One is an amendment to section 65 as to the powers of the registrar of the court. They merely ask to add this clause:

Any person dissatisfied with an order or decision of the Registrar may appeal therefrom to a Judge in the manner prescribed by General Rules.

I do not see any very great objection to that. Another amendment I may mention now is to section 71, as to the enforcement of Orders of Court throughout Canada. It has been suggested that clause 3 be added there:

The court may direct any issue to be tried or inquiry to be made by any judge or officer of

any of the Courts of the Province and the decision of such judge or officer shall be subject to appeal to a judge in bankruptcy, unless the judge is not a judge of a Superior Court when the appeal shall be under section 74 of this Act.

That is a matter of convenience. If, for convenience, in any case, it is deemed proper to refer any particular questions to the decision of a judge, even if he be not a judge of bankruptcy, such a course may be pursued. I should not have thought the suggestions were essential to the proper carrying out of the Act but as both of the judges who have made them are, in the provinces where they reside, of the very highest reputation, I think perhaps the Act might be improved if these amendments were included. If the committee is willing I will move them.

The CHAIRMAN: Mr. Guthrie moves that section 65 of the said Act be hereby amended by adding thereto subsection 4.

Mr. JACOBS: I suppose that would mean that if the trustee or receiver is dissatisfied with the decision of the registrar he may also appeal.

Mr. GUTHRIE: I think that is broad enough to include anybody. I may say that Mr. Justice Middleton, of the Ontario Superior Court, and Mr. Justice Maclennan, of Montreal, have gone very carefully over the Act and these amendments are brought here at their suggestion. They think the amendments will greatly improve the working of the Act.

Amendment agreed to and section as amended agreed to.

The CHAIRMAN: Mr. Guthrie now moves that section 71 of the said Act be amended by adding thereto subsection 3. Shall this amendment carry?

Mr. JACOBS: I think that rule might very well apply to the provinces outside the province of Quebec, but it seems to me unreasonable that judges of courts of inferior jurisdiction should be asked to try any of these questions in bankruptcy. For instance I may point out—

Mr. GUTHRIE: It is only where the judge of a bankruptcy court would direct, and I think such a judge would be very careful about whom he should refer a question to. In the meantime I would not hesitate to trust them with the power.

Mr. JACOBS: What I wish to point out is this: The province of Quebec is divided into seventeen or eighteen districts in each of which a judge of the Superior Court sits. Now we also have judges of the inferior courts who try cases under $100. It would not be well to have these judges of inferior courts pass upon questions of bankruptcy at all.

Mr. GUTHRIE: I quite agree with my hon. friend, but I think the way the matter will work out is that in each province a judge or judges will be designated to attend to bankruptcy matters, and I have no doubt they will be very careful with the administration of this law.

Mr. JACOBS: Will there be one judge for an entire province?

Mr. GUTHRIE: There may be one or more. One may be sufficient at first, but as time goes on more than one may be required. I can understand that where a number of minor applications come up for decision a judge may find it necessary to refer something, but I think he will be very careful as to whom he refers it to. We may as well see it tried out and if any wrong results, at the next session of Parliament we can change the law.

Mr. LEMIEUX: Are there to be special judges appointed for the administration of this Act?

Mr. GUTHRIE: No, the judges of the superior court are charged with the administration of the Act, but as between themselves I believe that in arranging their judicial duties they are going to make the apportionment in such a way that, to as large an extent as possible, one or two judges shall deal with bankruptcy matters, for the beginning at all events, until we get a uniform practice.

Amendment agreed to and section as amended agreed to.

On section 17—undischarged bankrupt obtaining credit:

Mr. GUTHRIE: In the Act passed last session, it was provided that any person who obtained credit to the extent of $50 or upwards from any person without informing that person that he was an undischarged bankrupt was liable to heavy penalties. The change now proposed is to fix the amount at $500. In the English Act the amount is £100. This matter received careful consideration from the Retail Merchants Association, who were quite insistent upon the amount being $50. They took the ground that a man who was a discharged bankrupt may go into certain communities and obtain credit without disclosing the fact that he is an undischarged bankrupt, and they thought $500

was entirely too large an amount to fix; that if he ran an account of $50 or $100, under such circumstances, he should be liable to heavy penalties for doing so. It was for that reason that the amount was reduced from $500 to $50. I have no particular view on the subject, but I do think that the running of an account up to so small an amount as $50 should hardly render such a man liable to a year's imprisonment. Of course, he is guilty of concealing a most material fact, because if he did disclose to the dealer that he was an undischarged bankrupt he would not get the credit. I think that $500 is too high and that $50 is rather low. However, I shall be guided by the view of the committee.

Mr. JACOBS: The Acting Solicitor General will remember how vigorously we on this side opposed this clause when it was presented last year. We pointed out that the marking of a man practically for life for an offence of this kind was not quite in the order of things according to present-day ideas. The Acting Solicitor General has now agreed to raise the amount to $500; that is an improvement over the provision of last year. It does seem to me, however, that it is for the trader to get a report upon these people before he deals with them. To take from a man the right to do business at all in his own name and then place him under a penalty of a year's imprisonment for failure to disclose certain things is, to my mind, like "seething a kid in its mother's milk." However, if my hon. friend raises the amount each year in the same ratio as he has raised it this year, I think we shall soon agree. Last year we were opposed to this section and this year the Acting Solicitor General has come round to our view.

Mr. GUTHRIE: I do not know that I have.

Mr. JACOBS: Well, he has expressed his view in the amendment, which is supposed to contain the combined wisdom of himself and of the Government in this matter. I am glad to know that he comes round to our view, even if it takes a year for him to do it; as we say in French, "mieux vaut tard que jamais."

Mr. GUTHRIE: There is a great deal to be said in favour of the small amount. I can well understand the position of a retail merchant who is approached by a stranger with a request for credit—a man who has come from some other town where he is an undischarged bankrupt. Now, his asking for credit without disclosing the fact that he is an undischarged bankrupt is fraudulent concealment, though $50 does seem to be a small amount in respect of which to render a man liable to a year's imprisonment. I thought that $200 would be more appropriate; however, if the committee is content with leaving it at $500, as in the Bill, I shall not raise objection.

Mr. JACOBS: Without this clause at all, such a person could be proceeded against under the Criminal Code, could he not?

Mr. GUTHRIE: There is a general clause to cover that, yes.

Mr. JACOBS: That is one of my chief reasons for objecting to the clause.

Mr. STEIN: Does this law do away with all provincial laws respecting bankruptcy? I was not here last year when the matter was under discussion.

Mr. GUTHRIE: Any provincial law heretofore in force which dealt with the question of bankruptcy or insolvency will be superseded by this one.

Mr. JACOBS: Unless the Privy Council decides otherwise.

Mr. GUTHRIE: I think my statement is in accordance with the decisions of the Privy Council so far as we have had them.

Section agreed to.

On section 19—repeal of section 97:

Mr. GUTHRIE: Section 97 is a peculiar section. It provides that:

> Any person who maliciously institutes or carries on against any person who has not done or suffered any act of bankruptcy proceeding in bankruptcy under this Act shall be guilty of an indictable offence and liable to a fine not exceeding one thousand dollars or to a term not exceeding two years imprisonment, or to both such fine and such imprisonment.

It was to prevent the institution of bankruptcy proceedings maliciously against any person. We had quite a heated discussion on this clause last year; I think that my hon. friend (Mr. Jacobs) divided the committee upon it. I remember that the then Acting Prime Minister (Sir Thomas White) took quite strong ground in the matter; he contended that the public should be protected against malicious proceedings. There is no such provision in the English Act. The present Bill proposes to strike out that provision, but I leave the matter entirely with the committee.

Mr. JACOBS: I must congratulate my hon. friend upon his coming to his senses twelve months after we brought the matter

to his attention. The clause was a foolish one; it was not drafted by a lawyer.

Mr. GUTHRIE: Oh, yes it was,—by an excellent lawyer.

Mr. JACOBS: Well, it may have been drafted by a lawyer, but it did not originate in the mind of a lawyer. It originated, I understand, in the minds of the Retail Merchants Association. I can quite understand, therefore, why it should have read as it did. "A shoemaker should never go beyond his last." But what I particularly regretted was that that association should have had sufficient influence with the then Acting Prime Minister to cause this provision to be put in the Act. It was all right enough for discussion outside the House, but solemnly to adopt it in this House as part of a statute was a piece of nonsense. Before this Bill was introduced this year I had introduced a Bill which had for its object the repeal of this clause together with a number of other clauses which have been dealt with by the Government. I shall now have much pleasure in withdrawing my Bill. It was just because I thought the Government had not awakened from their lethargy that I brought in my Bill, and, perhaps, that was the reason the Government brought in theirs. In any event, I am pleased to withdraw mine, and I congratulate the Acting Solicitor General (Mr. Guthrie) on introducing these amendments which, I think, will improve the Act in many respects.

Mr. McKENZIE: Do I understand the minister to say that the Bill will be reprinted? And when does this legislation come into force?

Mr. GUTHRIE: It comes into force on the 1st July by proclamation. The Bill will be reprinted in order that the clauses may appear without amendment. A few changes will be made in the rules, but I think in a few days they will be ready for distribution.

Mr. PARENT: Are they printed?

Mr. GUTHRIE: They are printed in a separate pamphlet at the present time, and in all probability they and the Bill will be bound together.

Mr. PARENT: Have any trustees been appointed up to date?

Mr. GUTHRIE: That matter is in the hands of the Department of the Secretary of State. The Under Secretary of State informed me that a very large list of applications had been received, and I think he said that the applications of certain men had been approved. I have never seen the list, nor inquired about it, but I understand a satisfactory list has been received.

Mr. PARENT: Is the field open to any one?

Mr. GUTHRIE: Yes.

Mr. BUREAU: Except a Liberal.

Section agreed to, Bill reported, read the third time and passed.

Mr. BUREAU: I thought there was an understanding that the Bill was to be reprinted. It has gone through third reading and is now out of our hands.

Mr. GUTHRIE: I do not think the hon. member would ask that the whole Bill be reprinted now.

Mr. BUREAU: Was not that the understanding.

Mr. GUTHRIE: No, the Act consists of 150 pages. These clauses are to be reprinted in the Bill in order that they may appear without amendment, and the Bill will have to go to the Senate before that can be done. I think somebody had better watch it there.

## SUPPLY.

The House again in Committee of Supply, Mr. Steele in the Chair.

| | |
|---|---|
| Indians—Ontario and Quebec. | |
| Relief, medical attendance and medicines | $42,700 |
| Repairs to roads, and bridges and drainage | 1,900 |
| General expenses | 51,875 |
| For clearing of land and purchase of stock in Northwestern Ontario | 3,000 |
| Total | $99,475 |

Mr. ROBB: I notice in the Supplementary Estimates there is an item of $50,000 applied on account of an epidemic of smallpox and other diseases. Is that in addition to this?

Mr. MEIGHEN: That is a supplementary item, not for this fiscal year, but for the last fiscal year. It is to cover a Governor General's warrant for extra money that had to be provided to fight the "flu."

Mr. BUREAU: How many reserves does this item cover in the province of Quebec?

Mr. MEIGHEN: Twenty, and 138 in Ontario.

Mr. ETHIER: Does that include the Oka Reserve?

Mr. MEIGHEN: Yes.

Mr. ETHIER: Is there a specific item for the Oka Reserve in regard to relief, medical attendance and medicines, out of the $42,700 mentioned?

Mr. MEIGHEN: The doctor's salary is specified, but there is no specific appropriation for that reserve. This is divided amongst the reserves according to their needs.

Mr. ETHIER: Does it cover the Indian agent's salary?

Mr. MEIGHEN: Yes.

Mr. ROBB: Some time ago, a complaint was filed by the farmers of the municipality of Chateauguay in regard to the drainage on the reserve, and I understood that the department was to send officers there to attend to the drainage if it was found that the Indians were responsible. Under the law of the province, they are required to attend to drainage on their property. I should like to know if this matter has been attended to.

Mr. MEIGHEN: It is a fact that a complaint was received and that officers of the department went down. The report is to the effect that a very considerable sum would be required. The sum is not provided for in the Estimates, but the deputy minister informs me that he has the matter on his agenda to take it up with me at the earliest possible date.

Mr. BUREAU: Are any officers' salaries provided for outside of the present item? I see that there is no item for salaries for Ontario and Quebec. There is no item for salaries for Manitoba, Saskatchewan, Alberta and the Northwest Territories, but there are items for Nova Scotia, New Brunswick, Prince Edward Island and British Columbia.

Mr. MEIGHEN: The salaries and expenses of the agencies are all included under the item "General Expenses" of $51,875.

Mr. BUREAU: How much is for salaries?

Mr. MEIGHEN: I can give that in a minute.

Mr. BUREAU: What is the object in not showing salaries separately for the western provinces, except British Columbia, and Ontario and Quebec?

Mr. MEIGHEN: We are just following the custom that has come down to us through the years, so as to make the Estimates more easily comparable with other years.

Mr. ROBB: With reference to the drainage at Caughnawaga, I gather from the minister's statement that the report of the officers who were sent down there is to the effect that drainage is required and that the department recognize their responsibility for the drainage. It is perhaps a little too late to have the drainage attended to for the spring seeding this year, but the same trouble will arise again this fall and next spring. Does the minister hope to have that drainage attended to during the summer so as to prevent the land in the adjoining municipalities being flooded through neglect of drainage on the Indian reserve?

Mr. MEIGHEN: I did not say that the report fixed responsibility upon the Indian Department, but that it was to the effect that were we to take care of the requirements a large amount of money would be involved. I said that the deputy minister had a note made to consult me on the subject at the earliest possible date. There is no item in the Main Estimates for drainage. As to whether there is an item in the Supplementaries I cannot say. Indeed, the subject has not been directly discussed with me. We are constantly in receipt of claims that the Indian Department should do this and that because there is a reserve in the district, but there are not many of these claims that are acceded to. This may be one that we should accede to, but I could not give any statement now as to whether it is such an one or not.

Mr. LEMIEUX: I wish to take this opportunity of publicly thanking the minister and the officials of the department for the work they have done at Caughnawaga. I am interested in a way in the little hospital which was founded down there at Caughnawaga by a pious lady who gave up her little savings for that purpose in order to give some relief to the poor Indians. She bought a building on the reserve, but, unfortunately, according to the laws of this land, in spite of the money she spent she cannot be declared the proprietor of that hospital building because the land belonged to the Indians and the Indians are the wards of the Government. At all events, the property is there and the hospital exists, and an excellent arrangement has been made by the department by which this elderly lady with her companions are giving the poor Indians the hospital service

which one might expect in a civilized community. I understand that the department is well satisfied with the services rendered by these good ladies, who receive no remuneration whatsoever. I would ask the minister to send at the earliest possible moment one of the department's experts who look after these institutions down to Caughnawaga, because there are some repairs needed at that hospital. They will entail an expenditure of about $2,000, not more, and with that expenditure this hospital which has been of such service to the Iroquois of Caughnawaga would be made up-to-date. Of course, the good ladies are doing all this work gratis, and as I said, although the building has been paid for out of their own savings, when they pass out of this life it will revert to the department and the Indians. So by making this small advance of $2,000, to be spent under the direction of the officers of the department, the department will in reality be working for itself and the Indians.

Mr. MEIGHEN: I may say on behalf of the deputy minister that I appreciate the words of the hon. member. The appropriation per diem has been adjusted on a satisfactory basis, and on that account it is not the intention of the department to bear the expense of the repairs that are necessary. I am informed that a letter has been received from the hospital authorities intimating that they are prepared to spend $1,200 in improvements, and the department contemplates assisting them to the extent of $400, which is expected to be sufficient to meet present requirements.

Mr. LEMIEUX: Will my hon. friend send Mr. Cheney down there at the earliest possible moment?

Mr. MEIGHEN: Yes. I can now give my hon. friend (Mr. Bureau) the salaries for Ontario and Quebec. The amount is $19,370.

Mr. BUREAU: How much for each province?

Mr. MEIGHEN: I will give that in a minute.

Indians—Manitoba, Saskatchewan, Alberta and Northwest Territories, $556,414.

Mr. POWER: May I ask why special treatment is meted out to one tribe of Indians? The Sioux get $7,545. Why should they be singled out from the other tribes?

Mr. MEIGHEN: Because they are non-treaty Indians.

Mr. POWER: They have no reserve?

Mr. MEIGHEN: They are not natives of Canada. They came from the United States, and consequently are not included in the treaty arrangements.

Mr. JACOBS: They are aliens.

Mr. POWER: Alien Indians.

Mr. MEIGHEN: They are not aliens, but they are non-treaty Indians, not being originally natives of Canada.

Mr. BUREAU: Again in this item I see a quarter of a million dollars under the head of "general expenses." The item of salaries for Ontario and Quebec, the minister said, was $19,000 odd, while the item under general expenses, which includes salaries, is $51,875. As to the western provinces, how much of this item of $259,000 under "general expenses" is for salaries? There is quite an enumeration here—implements, tools, etc., field and garden seeds, livestock, supplies, for destitute, hospitals and medical attendance, triennial clothing, surveys, grist and saw mills. Unless the salaries are very high, that leaves quite a big margin unaccounted for under "general expenses."

Mr. MEIGHEN: The salaries in that item of $259,006 account for $136,155, rations $37,365, fuel, feed and light $17,536, livestock $15,000.

Mr. ETHIER: There is a separate item for livestock.

Mr. MEIGHEN: That is for driving horses for the agents. Equipment $9,073, buildings 13,906, miscellaneous $43,471. That makes up the total.

Mr. BUREAU: What does miscellaneous cover, anything and everything?

Mr. MEIGHEN: Usually it covers travelling expenses of agents, up-keep of motors, ice, telephone expenses, telegraphing, postage, stationery, etc., in all agencies in these provinces.

Mr. BUREAU: What is the Indian population of the three provinces?

Mr. MEIGHEN: It totals 34,348 inclusive of 3,769 in the Northwest Territories. Manitoba has 11,935, Saskatchewan, 9,962 and Alberta, 8,682. The total number of reserves is 218.

Mr. BUREAU: Manitoba has the largest number?

Mr. MEIGHEN: Yes.

Mr. McKENZIE: What is the situation of these Indians? Are they earning any-

thing, or do they depend entirely upon the assistance they get from the Government? I should imagine that they ought now to be in a position to help themselves to a great extent.

Mr. MEIGHEN: They not only help themselves, but they are practically self-sustaining. With the help which the department gives them, not financial but supervisory, they are almost self-sustaining. The Indians of these provinces are not so far advanced toward maturity of citizenship as, generally speaking, the Indians of the eastern provinces are. They have been in contact with civilization for a less number of years, but they keep gradually improving and those who graduate into citizenship and get away from the reserves and get on their own responsibility very rarely fail. That is a remark of some importance in connection with the legislation that will be before the House later on. The great difficulty is the tendency to keep to the old habits in the reserve. When they get away on their own responsibility—of course they should not be put there too soon—they rapidly, and in most cases certainly, make good citizens. In the three provinces they are virtually self-sustaining, with the supervisory assistance which they get at considerable expense from the department.

Mr. JACOBS: Have these Indians been thoroughly Christianized?

Mr. MEIGHEN: Inasmuch as that work is not distinctly ours I am not ashamed to confess that it has not been quite perfect.

Mr. JACOBS: It is the Lord's work.

Mr. MEIGHEN: It is largely in charge of the missionaries of the various churches, who have succeeded to a substantial extent, and I must say that the whole Indian administration of Canada would be far from the success it is to-day were it not for the co-operation of the evangelical churches. There is no doubt about that. Not only would the expense be much greater to the Dominion, but the character of the work could not be of the same advantage to the Indian if we did not have that co-operation. The work that is being done by the evangelical churches in all the provinces is very considerable indeed and very burdensome to those churches, and to them Canada in that respect is unquestionably under a debt of gratitude.

Mr. JACOBS: Does the minister include the Roman Catholic church?

[Mr. McKenzie.]

Mr. MEIGHEN: Certainly; there is no church more active in the work than the Roman Catholic church.

Mr. JACOBS: How is the work on these reserves apportioned to the Methodists, the Baptists, the Presbyterians, etc.? How do they divide up the poor Indian?

Mr. MEIGHEN: The Anglican, the Presbyterian, the Methodist and the Roman Catholic are the chief bodies which do this work. They all have their respective spheres, and the policy of the department is to delimit those spheres of activity so as to avoid overlapping and a consequent additional expense. They all agree to that and work along those lines. As a rule they are not situate side by side at some point competing with one another for proselytes.

Mr. JACOBS: In that respect they differ from the white man.

Mr. MEIGHEN: I am speaking of the churches.

Mr. JACOBS: The churches in their treatment of the Indian differ from the white man, civilized, so-called, in the matter of overlapping.

Mr. MEIGHEN: I have not experienced any embarrassment from the competition myself. I do not know that there is such a difference.

Mr. McKENZIE: The hon. member for George Etienne Cartier (Mr. Jacobs) is evidently looking for the Mosaic dispensation but I do not believe he will find a very strong footing among the Indians. I am glad to say that in the province I come from we have quite a number of Indians. They receive very little support but they are very religious indeed—highly religious. Training in religion was given by the Catholic missionaries who went through the wilds two hundred years ago teaching the Indians, and it is to the credit of the Indians that they have never in the slightest degree departed from the early teaching which they received. It would be a curiosity to see amongst the Indians of the Maritime Provinces anything but a Roman Catholic.

Mr. JACOBS: In answer to my hon. friend let me say that I am not looking for a sphere of influence for the Mosaic dispensation as he seems to infer. If I were doing so I would be looking for greater mentality than is shown by the poor Indian.

Mr. JOHNSTON: I would like to ask the minister if there is an amount in the Estimates for building a new school on the

Gordon's Indian reserve in the province of Saskatchewan.

Mr. MEIGHEN: No.

Mr. JOHNSTON: If that is the case I feel it my duty to bring to the attention of the minister some correspondence I have had with the principal of that school with respect to the condition of the school and the need for a new building there. In the spring of 1918 I received a letter from the principal of the school asking that I should have this matter brought to the attention of the Government. The war being on, I replied to the effect that I did not think it would be possible that the Government would take it into consideration at that time and I did not feel like asking them to do so. During the past winter I again received a communication from the principal of the school outlining the need of a new building. The letter reads in part as follows:

GORDON'S INDIAN BOARDING SCHOOL,
PUNNICHY, SASKATCHEWAN,
February 3, 1920.

Sir,—Permit me to call your attention to the following facts:—

(1) The main building of this School was erected of prairie stones, about the year 1892, and consisted of a basement divided into kitchen, dining-room, pantry and cellar so called.

The ground floor is subdivided into an office, a sitting room, a girls' wash room, and a room used for a sewing room; also, a boys' play-room, and a wash-room, all of which are too small.

The second floor furnishes two dormitories for girls (large and small girls) and three staff-rooms.

Prior to 1914, two years after I was appointed principal, no drainage had been provided, although the building was situated at the foot of a slope, and the water, when it rained soaked into the basement, and undermined the walls, which settled, and made the building so unsafe that heavy iron rods had to be run from one wall to another, opposite to keep them from falling apart.

(2) In 1913, the department proposed to add a lumber story to the present stone structure, and a concrete addition to the rear, and plans were sent me for approval, but the Indians, on hearing of the project became alarmed, lest the additional weight would cause the collapse of the old building.

In 1914, plans for a new building on a larger scale were prepared, and sent for approval; the proposed new building was to be erected immediately in front of the old one, which was to be utilized for different purposes; tenders were to be advertised for at once, and the new building completed by October of that year.

That was in 1914.

In 1915 the Government had a frame addition added to the rear of the old structure 40 ft. x 18 ft., the ground floor of which is used for a class room, and the second floor for a boys' dormitory. This addition enabled the department to increase the number of pupils from thirty to fifty.

In 1916, the department provided for the building a laundry, a small frame structure, but no reservoir was added, and not even eave-troughing was supplied.

(3) The condition of the old building, ever suitable for an Indian school, should engage the attention of the Department. The floors are worn out, the basement, so long without drainage (up to 1914), is unsanitary, the window frames are decayed, the roof leaking, the chimneys unsafe; there is no heating system, eleven stoves have to be kept up, there is no water supply, water for laundry, baths and scrubing, having to be drawn from a lake two miles distant, about fifteen barrels a week; water for cooking from a well half a mile distant; there is no room in building for isolation of a pupil suffering from any infectious or contagious disease, a staff-room having to be given up for that purpose when occasion requires.

During the Flu epidemic in 1918, there were fifty-one pupils lying ill in the dormitories, and there was not one sanitary closet in the building; a man had to be hired to empty pails and disinfect them, from the boys' dormitory, and the ladies of the staff, in addition to nursing and care of the sick, had to do this work in the girls' dormitories.

In order to keep the school going, I have expended all that could be spared from farm and W. A. receipts in improving conditions. I have had a frame granary built, at a cost of $400; a storehouse, at a cost of $200, an extension of the 1915 addition connecting it with the main building and thus providing another staff-room, at a cost of $300; and in general repairs have expended upwards of $300, some of my small salary from the Diocese having been used from year to year in this way, always looking forward to improved conditions.

It is a shame to deprive the Indian children whom we cannot accommodate of their opportunities, and it is an outrage to expect ladies of education and refinement, who, having devoted themselves to the work, were sent here by the Woman's Auxilary, to continue year after year working under such conditions as I have brought to your notice. As a Canadian, familiar with western life since 1884, and more or less in touch with Indian work, I cannot regard with complacency the fact that such a small matter as the expenditure for an Indian school should prove to be such an insurmountable obstacle to the Government of Canada.

I beg to ask you, sir, for a definite answer, as to whether or not the new building for Gordon's School will be provided this year?

An average of at least eighty children can be maintained as soon as the accommodation is provided; we are constantly refusing applications, and do not feel justified in having the full number authorized by the department, in view of our experience last year during the epidemic.

The new building should include infirmaries for boys and girls, unless the department contemplates utilizing the old building, as the commissioner suggested, for hospital purposes, with provision for a trained nurse.

Some few weeks ago I placed a question pertaining to this matter on the Order Paper. The question dealing with this particular matter was

Is it the intention of the Government to erect a new school building on Gordon's Indian Reserve, Saskatchewan, this year?

The answer to that question was

Final decision has not been made.

A year ago last winter, during the epidemic of influenza, there were some fifty cases in the school and they did not have a spare room for isolation of cases of this kind. There were three deaths from this disease. Later on they had an outbreak of typhoid in the school. I have here the report of the Inspector of Schools for the province of Saskatchewan addressed to the Bishop for the district. It reads as follows:

Sir,—Through the courtesy of the principal I inspected the above school, and am pleased to report on the good order and excellent discipline throughout the school generally. The kindly Christian spirit prevailing is very evident, as also the cordial relations between the pupils and the staff.

On inspecting the work in the schoolroom I found the pupils well up in the different grades, comparing very favourably with the pupils in the public schools. Miss Elizabeth Atwater, the teacher, is doing excellent work, and I have recommended her to the Department of Education for a Permanent Certicficate.

As one interested in Indian work I would call the attention of your Lordship to the fact that the buildings and equipment are quite inadequate for the purposes of the school. The school at present is filled to capacity, yet I am credibly informed that the number without any special effort could be increased from fifty to eighty.

That is a point that ought to have some weight with the minister and with the committee. This school building, besides being unsanitary, is wholly inadequate to accommodate nearly all the children who desire to attend. There are other reserves close to the Gordon's reserve without school buildings and the children from these reserves would attend this school if there was room to accommodate them. These children are growing up without a chance of getting an education.

This means that many Indian children on the neighbouring reserves are being deprived of the opportunity of a Christian education, thus growing up in ignorance—a menace to the common weal.

The danger of fire in the present building, lighted as it is by kerosene lamps and heated by stoves and without an adequate water supply is very great. It is providential that no tragedy has so far occurred. The Federal Authorities should be vigorously informed that a new and up-to-date school building is absolutely necessary for the carrying on this important work.

All of which is respectfully submitted.

Yours faithfully,

J. G. McKECHNIE,
Inspector of Schools.

[Mr. Johnston.]

This matter has become one of local interest in that district. The people in the adjacent towns know the condition of this school, know that the principal and staff are giving excellent service, and doing all they can under the circumstances with a building that is not fit for school purposes and not large enough to accommodate the children who would otherwise attend it. I think the minister should give the committee some assurance that while provision has not been made in the Estimates, a sum sufficient to provide a new building will be placed in the Supplementary Estimates. An amount was placed in the Estimates in 1914 but the work was never carried out. The war intervened, and nothing has been done up to this time. I hope the minister will be able to give the committee some assurance that the work will be looked after this year.

Mr. MEIGHEN: The school to which the hon. gentleman (Mr. Johnston), refers, is not the property of the department. It is the property of the Church of England and is conducted by them. The direct obligation of the department is to provide the measure of sustenance per pupil that we provide generally in such cases.

That is done in this case. It is true that the church is anxious that we should take over the capital proposition and build a new school. I fear the letter the hon. member has read is not a very recent one. As regards the description of the lighting system as being coal oil lamps, I am informed that the department has replaced that and has installed—

Mr. JOHNSTON: It is so stated in a letter of February 3, 1920.

Mr. MEIGHEN: Since that date the department has installed the Delco electric lighting system in the school at its own expense. It is true that other things are not modern and a new school would be much better, but I am by no means convinced that there are not others in a similar position. It is our intention to have Mr. Graham, the commissioner in the West, visit the school very shortly and report on its present condition. I cannot make any statement as to whether an item can be placed in the Supplementary Estimates this year or not.

Mr. JOHNSTON: Am I to understand that the department will, in no case, build schools on these Indian Reserves?

Mr. MEIGHEN: I did not say that.

Mr. JOHNSTON: I know very well that you did not say so.

Mr. MEIGHEN: The church owns the school. If it were our school the obligation upon us to keep it in repair, or to rebuild it, would be much more immediate and direct than is the case when it is a church school owned by the church. Of course we sometimes do take over a proposition when the church is not able to carry it out, and build a new school which would be our property; but we cannot be held directly responsible for the maintenance of a school which is not our own. Now as to when we may be able to take this school over and reconstruct it I cannot say. I believe an estimate was submitted to the department with that intention at a time when we had far less obligations on our backs than we have at the present time. We want to treat all alike as nearly as possible. We are building one Anglican school, one that was much more necessary, according to the information at our hands, than was this one. We try to distribute these schools amongst the various denominations having regard to the immediate necessity of the case and just as fairly as possible.

Mr. JOHNSTON: With the permission of the committee I desire to place on record a telegram which I received a couple of days ago from the Archdeacon of that diocese. It reads as follows.

REGINA, Sask., 4th June, 1920.

J. F. JOHNSTON, M.P.,
House of Commons, Ottawa.

The Synod of the diocese of Qu'Appelle in Synod assembled desires to place on record its sense of the serious situation created in our Indian work by the delay of the Government in building Gordon's Indian Boarding School at Punnichy for a period of over six years. In view of other buildings having been built during that period the Synod feels that a great injustice has been done to this diocese and to the Indians. The Synod therefore expresses to the authorities of the department the hope that this matter will receive immediate attention and that the contract will be let and the building erected at once.

ARCHDEACON KNOWLES,
Sec'y. of Synod,
1611 Sixteenth Avenue.

Now it seems to me that the department must have considered doing something in the direction of taking this property over and looking after it, when it placed an item in the Estimates for 1914 providing for the erection of a new building there.

Mr. MEIGHEN: Just before closing the matter I might suggest to the hon. member that he take the subject up with his leader (Mr. Crerar) who has been urging in rather mandatory tones a most ruthless reduction in these Estimates. I think his missionary work might very well be done there as well as with the leader of the Opposition (Mr. Mackenzie King), to whom he gives pretty good support, who makes the same demand.

Mr. JOHNSTON: Under different conditions there might be something in the minister's suggestion. As it happens, however, my leader is not handling the purse strings at the present time, and neither is the leader of the official Opposition. The responsibility in this matter does not devolve upon either of these hon. gentlemen, and I am much surprised at the minister directing my attention to them. He knows as well as I do that this is a matter of public business which rests in his own hands, not in the hands of the hon. member for Marquette (Mr. Crerar) or the leader of the Opposition, and the fact that the minister should burden the committee with any such suggestion is ridiculous to me. His department, and those who preceded him in the administration of the department, considered this matter of sufficient importance to place an amount in the Estimates for 1914. It is not enough for him to say at this time that we have not got the money for the purpose. A glance through the Estimates for the present year will disclose to any one where enough could be saved to build this school and give these Indian children, who are wards of Canada, a chance to obtain an education.

Mr. MEIGHEN: I did not intimate that the leader of the hon. gentleman had his hands on the purse strings. I only intimated that he is crying out to the Government to cut these Estimates down. We cannot cut them down and raise them by the same stroke. The hon. gentleman himself is also pretty strong on economy, but I see that his principles are changed when the matter is one which affects his own constituency.

Mr. JOHNSTON: My principles are not changed at all. I stand for economy, and I claim we could easily pare enough off the other Estimates to erect this school building.

Mr. NICHOLSON (East Algoma): Perhaps while this matter is being discussed I might say a word to the committee that would throw some light on this question in direct relation to what is known as the Gordon School as well as many other schools of like character. I happen to have the privilege of being a member of the committee that has been working on mat-

ters of this nature indenominationally for the past ten or fifteen years, and I know something of the situation in connection with the Gordon School as well as many others. What happened, perhaps a decade or two decades ago, was that different denominations went into different sections of the country and erected school buildings rather indiscriminately, the Anglican church, of which I happen to be a member, along with the rest. The result was that we have a number of schools in locations where schools should not be, and there are many locations where schools should be where we have none. It is true that provision was made in the Estimates in 1913 or 1914 for the Gordon School. Provision was made at the same time for other schools within the Anglican communion, and I understand within other communions. But the war intervened and made it necessary for the Government to cut out these buildings. Now, my information is that the department is again beginning to take care of the most emergent cases. At the present time correspondence is passing between the different communions—Roman Catholic, Anglican, Presbyterian and Methodist—with a view to reaching a common view, so to speak, as to just the locations where the schools should be placed from one end of this country to the other, and to put that whole comprehensive scheme before the Government so as to get the whole Indian population into the position that will enable them to get the education they should have. I sympathize with everything that has been said in the correspondence that has been read by my hon. friend (Mr. Johnston) from the principal of the Gordon School, from the Inspector of Schools, and from the Archdeacon of the Diocese of Qu'Appelle, but I also know that the Missionary Society of the Anglican Church has represented to the department that there are still more urgent cases within their communion, without saying anything with regard to other communions. A situation has arisen, for instance, on the Blackfeet reserve that demands immediate attention unless the whole tribe of Indians is going to be wiped out on account of tuberculosis and other ills of this character. The bodies that are dealing with these Indian schools— industrial schools, in the main—are endeavouring to push the Government ahead as fast as possible, but they feel that having regard to the conditions with which the country is faced to-day they cannot expect the Indian Department to go ahead very much faster than it is going. As the minister has stated, they are erecting one new school which has been recommended by the Missionary Society of the Anglican church and they are erecting others for other denominations and providing additional per capita grants to take care of them. There is no larger question than this before the people of this country to-day, and it will continually get larger. Without doubt, within a short time, Parliament will be called upon to vote more money than it is voting now if the Indian population is taken care of as it should be.

I thought that it would be well to give the committee a general idea of what this school situation is, as I have had the privilege of studying it from the inside, so to speak, in conference and in conjunction with the interdenominational bodies that are endeavouring to carry on this work. Right here may I say that in many cases the Indian Department are erecting the building, providing the per capita grant for the maintenance of the children at the schools, and the missionary bodies of the different communions to which the Indians belong are carrying on the practical work of education. I am sorry that my hon. friend (Mr. Jacobs) is not here at the moment; I heard him make a remark that I feel disposed to resent. Perhaps he said it thoughtlessly, but he remarked that if he was going to undertake the work of proselytizing any particular class of the people he would go to a class with a higher mental capacity than that possessed by the Indians. Well, I suggest to him that he will have to go somewhere else than to Central or Eastern Europe to find that class. The native Indians of this country, given a fair chance, will make just as good citizens as any other men, white or black, that come within our borders.



Indians—Nova Scotia—salaries, etc., $28,300.

Mr. DENIS: How many Indians are there in Nova Scotia?

Mr. MEIGHEN: There are 2,031. Number of reserves, 45.

Mr. McKENZIE: How many superintendents are there?

Mr. MEIGHEN: Just one, Mr. A. J. Boyd, of River Bourgeoise, salary, $1,800. The salaries of the other agents are in amounts like these: $100, $150, $200, and so on, reaching a total of $4,400. These small salaries are not on any maintenance basis; it is simply an allowance for the work done.

Mr. McKENZIE: I think there are four schools in Cape Breton; is there a teacher at each of them this year?

Mr. MEIGHEN: There are fourteen day schools in Nova Scotia, of which five are in the island of Cape Breton. The number of pupils enrolled in Nova Scotia is 255. The day schools on the island are at Sydney, Eskasoni, Middle River, Salmon River, and Whycocomagh.

Mr. McKENZIE: There was a school at a place called Malagawatch, but I think it is closed this year.

Mr. MEIGHEN: The attendance could not be kept up at that point. The school was not successful and it has been closed.

Mr. McKENZIE: As a result of an investigation held some years ago it was decided, I understand, that the Indians in the neighbourhood of Sydney were to be removed to some other location and that the lands were to be taken over by the Government. What has been done in that connection?

Mr. MEIGHEN: It is the intention of the Government to move these Indians. I intend to submit to my colleagues an estimate for the purpose. If approved, it will be in the Supplementary Estimates.

Mr. McKENZIE: Has any place been decided upon as the new location?

Mr. MEIGHEN: Not yet.

Indians—New Brunswick—salaries, etc., $19,284.

Mr. LEGER: Application was made by the Indians of Big Cove, New Brunswick, for a small grant to assist them in the building of a bridge. Is there anything in the Estimates in that connection?

Mr. MEIGHEN: I believe that without any special appropriation to that end we shall be able to build the bridge. My information is that the officers of the department favour its construction.

Mr. LEGER: How many Indians are there in New Brunswick?

Mr. MEIGHEN: There are 1,846.

Mr. DENIS: How many reserves?

Mr. MEIGHEN :Twenty-six.

Mr. LEGER: There is a school building at Big Cove; is it in operation?

Mr. MEIGHEN: I think it is.

Indians—Prince Edward Island,—salaries, etc., $3,225.

Mr. McISAAC: How many Indians are there in this province and how many reserves?

Mr. MEIGHEN: There are 292, on two reserves. The salaries amount to $750, an increase of $150 this year. The miscellaneous item is $150 less than last year, so that the total estimate is exactly the same.

Indians—British Columbia—salaries, etc., $176,050.

Mr. PECK: I should like to ask the minister if the Indian agents will participate in the advantages of the Civil Service re-classification and what their salaries will be. Hitherto their salaries have been extremely small.

Mr. MEIGHEN: They do participate in the advantages of re-classification, and this means, generally speaking, increases in pay. The grade they go into is No. 5. I can give the hon. member the salary of any special Indian agent about whom he may desire to ask.

Mr. PECK: I should like to say a word or two in commendation of the work of the Indian Department in British Columbia, especially in Northern British Columbia. I represent a constituency which has six Indian agencies and 6,000 Indians, and I wish to commend the work of this Government and former Governments which have done wonderful work as regards education and the general improvement of the Indians, hospital work and so on. Great credit is due to the department in this regard. We do not have opportunities of giving commendation as often as we should do. The whole history of the Indians in Northern British Columbia is a strange and grand romance which does the utmost credit to the Indian Department and the missionaries of the various churches. As regards the question of denominational divisions, I may say that in British Columbia, we have little if any religious strife; the people there live in amity, one with another, and they allow their neighbours to have such religious opinions as their consciences dictate. Their action in that regard might be very well copied in other parts of the world. The same principle has pervaded the missionary divisions, and it has not been the policy of the different denominations for any denomination to invade the area of another. For instance, the Roman Catholic church came through following the Hudson Bay posts from the East as far as Hazelton in the northern part of British Columbia. Coming up from the coast, that

famous missionary, Father Duncan, established English church missions along the whole seacoast. Later on the Methodist church with characteristic enterprise, took over two or three fields. But I can say from personal knowledge that there has never been any animosity or trouble between the various churches; in Northern British Columbia, they simply look after the Indians in their own areas, and they do not bother proselytizing in other areas. In that regard I wish to commend very strongly the people who have done so much in the way of missionary work in Northern British Columbia.

Mr. MEIGHEN: The number of Indians in that province is very large, viz., 25,698, and there are 890 Indian reserves there.

Indians—Yukon—relief, medical attendance and medicines, and general expenses, $15,000.

Mr. McKENZIE: How many people besides Indians are there in the Yukon?

Mr. MEIGHEN: In the Yukon, there are a large number of good, very intelligent people, judging from the election.

Mr. McKENZIE: I am not questioning their intelligence; I want to know the number.

Mr. MEIGHEN: I have not the population of the Yukon before me, but I should think it was in the neighbourhood of about 4,300.

Mr. BUREAU: Indians?

Mr. MEIGHEN: No, Whites and Indians.

Mr. McKENZIE: I am not speaking disparagingly of the Yukon; but from the report made about a year ago while we were making some adjustments of courts, I understood that the population was very small.

Indians—general,

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|---|---|
| Payments to Indians surrendering their lands under provisions of section 89 of the Indian Act which will afterwards be repaid from the avails of the land | $ 25,000 |
| Relief to destitute Indians in remote districts | 65,000 |
| To prevent spread of tuberculosis | 10,000 |
| Printing, stationery, etc. | 5,000 |
| Grant to assist Indian Trust Fund Account 310, suppression of liquor. | 3,000 |
| To provide for expenses in connection with epidemic of smallpox and other diseases | 10,000 |
| Surveys, Ontario, Quebec and Maritime Provinces | 3,000 |
| To provide an amount to pay agents' fees in connection with registration of births, deaths and marriages | 1,500 |
| General legal expenses | 5,500 |
| Total | $128,000 |

Mr. MOLLOY: What are the provisions of section 89 of the Indian Act?

[Mr. Peck.]

Mr. MEIGHEN: That is the provision that enables the surrender of land for sale upon such terms as provide for the payment of a percentage of the proceeds to the individual Indians. This is an appropriation to do that.

Mr. CAHILL: An Indian reserve in Ontario was surrendered some time ago. Was the transaction completed, or is it still hanging fire?

Mr. MEIGHEN: A surrender of a reserve or part of a reserve occurs about once a week in Ontario. Does the hon. member remember what reserve this was?

Mr. CAHILL: At Sarnia.

Mr. MEIGHEN: I am informed that the purchase has not yet been completed. The money is not yet paid.

Mr. CAHILL: It is being held for purchasers until what time? Until such time as they choose to pay for it? What are the general conditions governing a sale of that kind?

Mr. MEIGHEN: The Indians have surrendered the reserve. We are not holding it at all. If the prospective purchasers go through with the purchase, all right, they get the land; if not, they do not get it.

Mr. CAHILL: The Indians have surrendered it to whom?

Mr. MEIGHEN: To the Crown for purpose of sale.

Mr. CAHILL: How long will the Crown hold it if they are not paid for it?

Mr. MEIGHEN: Until they sell it.

Mr. CAHILL: That might be fifty years.

Mr. MEIGHEN: It might be. We cannot make anybody buy it, but we have to sell it in accordance with the terms of the surrender. We have no reason to think the company—it is a steel company, is it not—some company that is establishing a big industry there—is not going ahead with the purchase; but if it does not, of course it will not get the land, and the land will be available for somebody else.

Mr. CAHILL: What are the terms of the surrender?

Mr. MEIGHEN: I have not the terms with me. They are very lengthy, and I shall be glad to lay them on the table of the House if the hon. member so desires. The Indians of that reserve are a very intelligent class of Indians; they have a very shrewd knowledge of their business, and

they looked carefully after their interest in fixing the terms of the surrender.

Mr. CAHILL: If the minister will put the terms on the Table to-morrow, that will be satisfactory.

Mr. McKENZIE: In this appropriation there is an item of $10,000 to prevent the spread of tuberculosis. I am sure that throughout Canada a great deal of sympathy is felt for the Indians on account of the ravages that tuberculosis and smallpox are making amongst them. I was going to suggest to the minister that this is a possible opportunity of handing over this branch of the work of the Indian Department to the Health Department, unless that has been done already. I do not know that there is any phase of the work of the Health Department that is more important than that of making proper provision for the health of the poor Indians. I understand that frightful ravages are being made amongst them by tuberculosis, and their conditions of life are certainly not such as to preserve them from the ravages of that deadly disease. I should be pleased to know that at the earliest possible moment that that branch of the department was going to be transferred to the Department of Health and that proper steps would be taken to look after these Indians. I am sure that even though we are striking hard for economy now, if more money is wanted for this purpose the people of this country would be willing to spend it.

Mr. MEIGHEN: The Health Department has no power to take over the matter of the health of Indians. That is not included in the Act establishing that department. It was purposely left out of the Act. I did not think, and I do not think yet, that it would be practicable for the Health Department to do that work, because they would require to duplicate the organization away in the remote regions where Indians reserves are, and there would be established a sort of divided control and authority over the Indians which would produce confusion and insubordination and other ill effects among the Indians themselves. However, we get every possible assistance from the Health Department. The deputy minister advises me that Dr. Amyot, the Deputy Minister of Health, and his officers have been enthusiastic in their co-operation with the Indian Department in connection with the recent ravages and health matters generally.

Mr. McKENZIE: I am not so much concerned, nor are the people of this country, as to which department does this work, as that it be done. I am not speaking for myself but for a great body of Canadian people.

Mr. ROSS: What is the policy of the department in regard to the employment of medical attendants for the several reserves throughout the country? Is the policy the same in every province? If not, what is the policy in regard to this matter in the province of Ontario? Are the medical men who are employed paid fixed salaries? Who appoints them? Upon whose recommendation are they appointed, and what is the policy generally?

Mr. MEIGHEN: They are usually, though not always, paid a fixed salary. It depends upon the circumstances, the amount of work there is to do, and the availability of a man to do it. There may be a man available whom you can get to do the work incidentally, and not a man available whom you can get to do the work on salary. These two factors control. The Civil Service Commission in every case appoints the salaried men.

Mr. ROSS: These medical men?

Mr. MEIGHEN: Yes.

Mr. ROSS: Since how long?

Mr. MEIGHEN: Since the Act came into effect. There is no patronage.

Mr. BUREAU: The second item under the head of "General" is "relief to destitute Indians in remote districts, $65,000." There is a similar item for all the provinces where provision is made for the Indians. For Ontario and Quebec I find an item of $42,700 for "relief, medical attendance and medicines," and for Manitoba, Saskatchewan, Alberta and Northwest Territories an item of $149,000 for "supplies for destitute." Then there is an item of $11,000 for "relief in Nova Scotia, $10,000 for "relief" in New Brunswick, $13,000 for "relief and seed grain" in Prince Edward Island, and $22,000 for "relief to destitute" in British Columbia. Now I understand that in all the provinces except the Northwest Territories there is a regular organization to take care of these Indians. The remote districts would only be in the Northwest Territories, I presume, where the Indian population, according to the figures that have just been given, is only 3,369. Yet we find the sum of $65,000 allotted for relief to destitute Indians in remote districts. That relief work seems to be covered by item No. 263.

Mr. MEIGHEN: Not exactly. This item is intended to look after the Northwest Ter-

ritories and also Northern Ontario, Northern Quebec, Northern British Columbia, and the Ungava District of Quebec. There is no item under the provincial headings for these districts. In these remote regions the destitution is often severe and the cost of provisions very high, and it is necessary to vote this amount to meet the expenses. In the northern parts of Ontario and Quebec, particularly Quebec, the Indians have suffered extreme hardships owing to the failure of the fur trade, and distressing tales of suffering and hardship have reached headquarters. It is necessary to make provision for the hunting Indians. This vote applies to the districts where we have no agents.

Mr. BUREAU: Lumbering operations extend pretty far north in Quebec now, and I would think there would be very few Indians who would not be able to take care of themselves, right up to the lake St. John region.

Mr. MEIGHEN: They are away north of there. In the Ungava district the Indians are stretched pretty nearly up to the Hudson Straits. I have had a talk with the Rev. Mr. Walton, who has lived among the Indians for many years, and the tales of distress he brings are really excruciating. The difficulty is that the caribou or reindeer, upon which the Indians live—these are hunting Indians—were either destroyed or driven farther east and south by the great fire about thirty-five years ago. Owing to the virtual extinction of that source of supply, the Indian has not had means to sustain himself, and he has become more and more inclined to get into tents and huts and depend upon assistance from the department and the Hudson's Bay Company, and the like. In that way his health has deteriorated. We are now attempting to establish some reindeer herds up there to give them employment that will keep them outside, and provide them with food at the same time. I only rose to say that the Indians to whom this vote applies are farther north than the hon. gentleman has in mind. I cannot give the exact details as to where each dollar went, but that will be found in the Auditor General's report. The actual expenditure for the year 1917-1918 was $85,577.35, and for 1918-1919, $65,286.67, or about $20,000 less than the year before.

Mr. BUREAU: How do these cases come to the notice of the department, and how are they taken care of?

[Mr. Meighen.]

Mr. MEIGHEN: Through traders, the Northwest Mounted Police, and the Hudson's Bay Company.

Mr. ROSS: Can the minister tell me what was paid in the last fiscal year to the medical attendant for the Indians in the south part of Middlesex, at Muncey? How much was paid in salary, and how much in extras, if any? If there is more than one attendant, who are they?

Mr. BELAND: I see under the head of "general" an item of $10,000 to prevent the spread of tuberculosis. Would the minister tell me—I was not present earlier in the evening—how this money was spent? Is it paid to physicians who go to the reserves? Are there sanatoria in different parts of the country where the Indians who are supposed to be suffering from tuberculosis are received and treated?

Mr. MEIGHEN: This money is spent in the providing of hospital treatment for those who can avail themselves of it, and also in providing methods of sanitation, the destruction of infected houses, and rebuilding to combat the spread of disease. There was spent in 1916-17, $10,792.19; in 1917-18, $10,196.35; and in 1918-19, $13,498. Wherever possible the Indians are taken to hospitals.

Mr. BELAND: Is tuberculosis increasing or decreasing among the Indians, or is it stationary?

Mr. MEIGHEN: I am afraid I cannot give a very encouraging answer to the question. It is the one dread disease of the Indian. We are not convinced that it is increasing, but it is not decreasing.

Mr. GAUVREAU: Is it the policy of the department to appoint agents as near as possible to the Indians whom they have to take care of? In my riding we have certain Indians in Rivière du Loup, and the agent is at Cacouna. Living in Rivière du Loup, I am naturally the intermediary between the Indians and the agent and I receive many complaints. The agent is an old well-to-do farmer and he does not care much about the Indians. I have approached the department more than once in the matter and the deputy minister is aware of the fact. I would urge upon the minister the necessity for dispensing with the services of this man and appointing an agent at Rivière du Loup so that he might be among the Indians and be able to take care of them properly. It would

be an easy matter, and the man who is at present filling the position at Cacouna does not need the salary for his living.

Mr. MEIGHEN: I shall take into consideration the observations of my hon. friend. There would be an advantage in having the agent at Rivière du Loup.

Mr. McGIBBON (Muskoka): What power has the Indian agent or the medical adviser to order treatment in a case of tuberculosis breaking out among the Indians?

Mr. MEIGHEN: The agent has no final power in himself, but the Superintendent General, under the Act, has power to make an order authorizing the placing of any infected person, or any person who should be treated in a hospital.

Mr. McGIBBON (Muskoka): What would the medical attendant have to do in the matter?

Mr. MEIGHEN: He would simply report by wire or letter to the department at Ottawa and get an order. An hon. member asked for the name of the medical attendant at Munsees, and his salary. His name is Dr. W. H. Woods of Mount Brydges, and he attends the Chippewas, the Munsees, the Oneidas of the Thames Reserve, and also all the pupils of the Munsees Institute. He is allowed a salary of $1,700 per annum, of which $250 is chargeable to school fund and $800 to band fund. There is no record here of any additional sums.

Mr. ROSS: How many Indians are there on these reserves?

Mr. MEIGHEN: I am informed that there are about 1,200 or 1,500.

Mr. ROSS: Does the medical attendant get anything for extra attendance on individual Indians, or is that his full salary?

Mr MEIGHEN: He gets something extra in the case of epidemics. I have given his regular salary. I have no record of extra payments; in normal conditions this is all he gets.

Mr. ROSS: Is his salary increased from year to year?

Mr. MEIGHEN: No; it has been stationary for some years. I do not know what it would be under the re-classification.

Mr. McGIBBON (Muskoka): Is it the intention of the department to sell the timber on the Indian reserve in Gibson, and if so what disposal will be made of the money?

Mr. MEIGHEN: In the case of that reserve, the department has been giving Indians permits to take out timber themselves. It has not been decided to sell the timber yet.

Indian education, $1,064,415.

Mr. McKENZIE: In our part of the country we find that the Indian's capacity for education is rather circumscribed. The Indian child is able to read and write pretty well and has a fair knowledge of arithmetic, but the teachers tell me that beyond that, in the field of English grammar, composition, history. etc., it shows an aversion to concentrated study. I should like to know how the Indians in the West get on, and what results are obtained from their educational training.

Mr. MEIGHEN: As regards the day schools in the West, I fear there has not been any great success. The chief difficulty has been to get the Indian child to attend with sufficient regularity to make progress. The boarding school is the proper system of Indian education for Western Canada. In the boarding school I have never heard of any special class of subjects in which the Indians are deficient or in which, indeed, they are not the equal of the white children, if they would attend with the same regularity and give the same attention to their studies. I have discussed the matter very frequently with teachers in those Indian schools and they speak in the highest terms of the capacity of the Indian children as a general rule. But the great trouble is that just as soon as the child gets out his tendency is to revert back to the reserve. Those of his own blood are not earning their living out in the world and he has not his own class with whom he can associate outside; consequently his tendency is to go back to the reserve, and in a short time the value of his education is largely lost. That fact also has a bearing on the question of the wisdom of encouraging and enabling the Indian to the utmost extent possible, consistent with his own fitness, to be enfranchised and be out away from the reserve fighting his way in the world like other people. Undoubtedly, the education will help the Indian children when they come out of the Indian school for they will be equipped, so far as education goes, to make a living.

Mr. BUREAU: A question was asked by the hon. member for Last Mountain (Mr. Johnston) as to the appropriation for a particular school, and the letter which he read showed a pitiful condition of things in that school. Now, the amount we are asked to vote is $1,064,415 for 34,000 people.

Mr. MEIGHEN: Over 100,000.

Mr. BUREAU: The total population of the Indians?

Mr. MEIGHEN: Yes.

Mr. BUREAU: Are these schools built on the reserves? I had the impression the schools were on the reserves?

Mr. MEIGHEN: Boarding schools usually are on the reserves but not always. There is an Indian boarding school at Portage la Prairie and that is not on a reserve, but they usually are on reserves.

Mr. BUREAU: The policy, as I understand the minister, of improving the condition of the Indian is to take him away from the habits and environment he has on the reserve would not ssem to help to improve the Indian very fast, if the idea is to take him away from his environment. Suppose a white child were to go amongst Indians and to live with them. Although he is supposed to be superior to the Indians he would have a hard time of it if
11 p.m. he were not allowed to go back among white people again. It seems hard—I will not say cruel—to take an Indian child away from his people and to mix him up with white people in one of these schools. If it is necessary, in order to improve the condition of the Indian, to take him away from his environment and to place him in one of these schools, it would be well that the school should be outside of the reserve. But on the other hand, from a purely humanitarian point of view it would be cruel to take that child from the reserve and put him among white people without giving him a chance to go back to his people and choose the life he would like to live. Does this amount of over a million dollars that we are asked to vote include buildings, or the improvement of the schools? Or is it just for the purpose of carrying on the schools and paying the teachers and the various staffs? If so it seems to be rather a large amount for the number of schools under the control of the department.

Mr. MEIGHEN: It is exactly the same as last year, and certainly it is none too much; we would like to be able to afford more. There ought to be more Indian boarding schools built and we would like to build the one in Last Mountain if we could afford to undertake it with the money in hand, as well as others equally urgent.



Mr. BUREAU: How many are there? Take Manitoba where the population is the largest.

Mr. MEIGHEN: In Manitoba there are 39 day schools and 8 boarding schools; in Quebec 28 day schools and no boarding schools. Day schools seem to be a success in Eastern Canada at all events.

Mr. BELAND: Is the school at Qu-Appelle a boarding school?

Mr. MEIGHEN: It is an industrial school. It really is a boarding school.

Mr. BELAND: Is not that one of the best Indian schools you have now?

Mr. MEIGHEN: It is out of the Qu'Appelle school that the File Hills colony has come. The File Hills colony is undoubtedly a phenomenal success. The number of day schools in the Dominion is 248, boarding schools 58, industrial schools 16, total 322. This is a vote for the maintenance of these schools.

Mr. BUREAU: It is not too much.

Mr. MEIGHEN: And for the construction of such school buildings as are contemplated for next year.

Mr. BUREAU: And the maintenance of the old schools?

Mr. MEIGHEN: The maintenance of the whole of them.

Mr. BUREAU: Is it not possible to comply with the request of the hon. member for Last Mountain (Mr. Johnston) under the conditions existing there? It seems a pitiable state of things if the letter contains the truth.

Mr. MEIGHEN: It was not altogether right; it was not up to date in some respects.

Mr. BUREAU: Out of this amount will there be any money which can be used to improve the condition there?

Mr. MEIGHEN: No.

Mr. BUREAU: Is there any other amount which will be used for that pu - pose?

Mr. MEIGHEN: No.

Mr. COCKSHUTT: Before passing from the question of the education of the Indians, I would like to make a few remarks in regard to the Indians in the county of Brant. We have there the largest number

of Indians to be found on any one reserve in Canada, or in North America—I think about 4,500. The hon. member for North Cape Breton (Mr. McKenzie) raised a question about them being circumscribed in their education. I have been in very close touch with a good many of the Indians and I think that does not apply to this tribe. The Six Nation Indians are amongst the most intelligent, if not the most intelligent, on the North American continent and they are capable of a very fine education if they have the opportunity. I know that in several instances they have taken very important positions almost immediately after they have passed out of the public schools. I heard of one last week who entered on a commercial course and, just fresh from school, received a salary of $20 per week for her services. That goes to show that if the Indian has a fair chance he is capable of very substantial advancement. I would like to know if there is any fund, or whether there can be any fund, provided for those Indian boys and girls, who wish to push on beyond the common school and take a high school course. There are some few in our city who are taking the high school course at the present time. There has been a contention between the city and the county as to who shall pay the fees of these children coming in from the Mohawk institution and from the reserve and completing their course in the high school of the city. The city keeps up the high school and it is customary to charge country pupils for the education they receive. It appears to me that if the department wishes to advance the education of Indian children there should be a fund provided that might be drawn upon in order that these boys and girls who have got as far as they can in the common school should have an opportunity of prosecuting their studies farther in the high schools of Ontario particularly. I am not sure that any fund of that kind exists; I have not heard of it. But I know that recently there has been quite a sharp controversy in the county of Brant on that very point. I would like the minister to say whether or not there is an opportunity for those who wish to take the higher branches that are taught in the high schools and collegiate institutes, where the parents are not able to pay the fees, and whether the department has a fund out of which it can pay a whole or a part of the expenses of those students while they pursue the higher branches of education. I feel certain that if these facilities were extended and if such a fund were provided, a very large number of children on the Six Nations Indian Reserve would take advantage of it, and that a large number of them would take a place among the most advanced of the white population. I am sure they have the capacity to do that and we only need to look to what has been accomplished in the last generation for confirmation of my statement. One Indian at least became one of the foremost citizens of Toronto and received a salary of $12,000 a year as head of the Independent Order of Foresters.

Dr. BELAND: Oronhyatekha.

Mr. COCKSHUTT: He was a well known Indian, a credit to the country and to the reserve from which he came. I mention that case in order that the committee may realize that there are sons of the soil among our own original population who are capable of the highest education. I certainly think that the department, if they desire to encourage higher education, should make it easy for these scholars who wish to press on from the common schools of the reserve or the country schools which they attend, and to go to collegiate institutes and high schools and that, if necessary, a fund should be provided to help them while they are passing through. I believe in many cases you will find that no inconsiderable number of Indians have made their way in the world by reason of the education they have received. I know several of them from our reserve that have gone to New York, and other great cities of United States, and hold very high positions indeed at very fine remuneration. I feel confident that the Six Nations Indian is capable of higher education to a considerable extent, and if the minister would give us assurances that they would be treated a little more liberally with regard to the fees in these higher branches of education I feel confident that more of them would take advantage of it.

An hon. MEMBER: Have they got a vote?

Mr. COCKSHUTT: Some of them have the vote. I believe that of the number that went overseas nearly four hundred had the vote, and that nearly all of them voted at the last election. That is a matter, though, that does not particularly concern myself as they belong to the North Riding of Brant. I am speaking now on behalf of the Indian, and I trust the minister will give that feature to which I have alluded his serious consideration so that those Indians who desire to pursue the higher

branches of education should be induced to do so.

Mr. MEIGHEN: There are quite a number of Indians, particularly of the Six Nations reserve, who do desire and do obtain a high school education. With respect to that reserve, the Indian parents for the most part, are quite capable financially of supplying their children with that education, and as to them the department has merely encouraged the attendance of those children at school by awarding scholarships to help them through. But there are others, fewer in number, who are not in the same position, and in those cases the department has always sympathetically received any application for help, and a large number of pupils are being helped by the department in the securing of a high school education at the present time. The ear of the department has been sympathetic to the ambitions of any pupils whose parents are not able to provide them with the fees and the necessary books for the purpose.

Mr. BEST: I realize that many of these Indians are capable of a very high education, but in view of the conditions in which the finances of the country are to-day I hope the minister will not for one moment think of laying aside tens or hundreds of thousands of dollars for any such purpose. I have brought to the notice of some of the departments instances where the parents of young white men,—young men who went overseas and fought for this country—were poor and were not able to put their sons through the high school; these had to do the best they could to get through. Why then should we set aside hundreds of thousands of dollars to give higher education to young Indians when our own white people cannot put themselves through? I realize that many Indians went overseas and fought for the Empire and we ought to treat them just the same as we would any other class of people, but we are not in a financial position to do what has been suggested; and to my mind no hon. member should get up here and advocate that we pay out a lot of unnecessary money for this purpose. I believe in fair play to every one in the Dominion, but I am also of the opinion that if we were to do more to assist our white people we would better serve the interests of our country. There is no doubt whatever that the sons of poor people are just as capable of learning as the sons of the rich; but in many cases they have to do without the education they need because they are not able to put themselves through. I hope the minister will not for one moment consider laying aside hundreds of thousands of dollars for any such purpose as suggested.

[Mr. Cockshutt.]

Mr. COCKSHUTT: Who is asking for hundreds of thousands of dollars?

Mr. BEST: Well the hon. member advocated the expenditure of money for this purpose.

Mr. GOULD: If the educational aspect of this matter is disposed of I would like to introduce another, which perhaps more particularly affects the Indian reservations in the West. I have at present in mind the White Bear reservation located on the southern slope of the mountains of Saskatchewan. It is tributary to a large preserve on which wild game abounds, and I have wondered if the Indian, in a location such as that, is permitted to hunt all the wild game that comes there. I believe it is the custom, whether it is the law or not, and I wondered if the Dominion Government permits the Indian to do that, or whether it is a privilege granted by the Provincial Government.

Mr. MEIGHEN: The Indian outside his reserve must comply with any provincial restrictions with respect to hunting or the preservation of game. The Indians have sometimes resisted the imposition of these restrictions by the provinces, but the policy of the department has been to get them to comply. On the reserve itself, I am disposed to think, the Indian is not so restricted, and his aboriginal rights to hunt in that reserve are quite free from any provincial law. I do not want to give that as a final opinion, but that is my impression.

**Government of the Northwest Territories—$7,000.**

Mr. McKENZIE: What is this money used for?

Mr. MEIGHEN: That is the entire amount expended on the whole government of the Northwest Territories of Canada, an area I suppose as big as Europe. The Interior Department administers the whole territory for the sum of $7,000, and the minister does not make any extra charge.

Mr. McKENZIE: What is the population?

Mr. MEIGHEN: According to the census of 1911 it was 17,196. I doubt if it would be any more than that now. Owing to the extension of the provinces of Quebec and Ontario a deduction would have to be made, but the figures do not include all the Eskimos on the Arctic.

Mr. McKENZIE: Are we providing for the government of Eskimos?

Mr. MEIGHEN: Yes.

Mr. McKENZIE: Are we providing them with schools or anything of the kind?

Mr. MEIGHEN: Yes, there is an item of $3,000 for schools included in the $7,000. It only takes $4,000 to govern them outside of the cost of the schools. Last year the appropriation was $8,000, so there is a saving this year of $1,000.

Mr. McKENZIE: Where is the area embraced in the Northwest Territories? Is it the region between the northern boundaries of Alberta and Saskatchewan and the Arctic circle?

Mr. MEIGHEN: Yes, north of Alberta, Manitoba and Saskatchewan and south of the Arctic ocean. The area is 1,242,224 square miles, two-fifths of the whole area of Canada, and a rich territory it is. Negotiations are now proceeding, which will almost certainly eventuate successfully, for the lease for commercial purposes of practically the southern half of Baffin's Land. It is a great mistake to assume that the area of the Northwest Territoriese is wholly —or, indeed, in any substantial degree— barren. The time will undoubtedly come when it will be a prized portion of the Dominion.

Mr. McGIBBON (Muskoka): Have the Government taken any steps toward finding out whether there is oil in these regions?

Mr. MEIGHEN: The Government, of course, are not themselves prospecting for oil. The Geological Survey, under the Mines Department, has general charge of the geological investigations carried on throughout the Dominion. The regulations respecting oil throw the opportunity of prospecting and discovering open to every person, and many are availing themselves of the opportunity. In 1913-14 it was generally felt that we were on the eve of very great oil discoveries. There have been none yet of any major importance. I am not sure when these discoveries will be made or whether they will ever be made, but the prospects are indeed bright. I have no doubt that those engaged in the work anticipate that it will not be long before discoveries are made. The Government are merely laying the scientific basis and in that way enabling these investigations to proceed along sound and sensible lines.

Mr. McGIBBON (Muskoka): Do you afford any assistance to those who are looking for oil?

Mr. MEIGHEN: No; if they discover the oil they get their own reward. Very large sums of money have been spent in the search, but it has been private capital, not the capital of the Government. I believe that one company has already spent almost a million dollars, so far without success.

Mr. McGIBBON (Muskoka): The oil resources of the world are nearing exhaustion. Great efforts have been made by the British Empire during the last few years to secure a sufficient supply of oil for the future. I think it would be well if this resource were kept under Government control.

Government of the Yukon Territory—salaries and expenses connected with the administration of the territory, etc., $200,000.

Mr. DENIS: What is the total population of the Yukon?

Mr. MEIGHEN: I estimated it a few minutes ago at 4,300; I do not think I am very far out. Anyway, it is between 4,000 and 5,000.

Mr. DENIS: This appears to be a large appropriation for a population of 4,300. Has a like appropriation been made each year for several years past?

Mr. MEIGHEN: Oh, no, the appropriation that has been made yearly for several years past has been far more. In the last two or three years the appropriation has been very much reduced, somewhat to the indignation, I fear, of the population of the Yukon. I did not feel that the numbers there warranted the expenditure that was being made. It is only a short time since the expenditure was twice the amount we are asking now. Of course, the Yukon is a very expensive territory to administer, owing to its location, its climate and the general configuration of the country. The roads are difficult and expensive to maintain; the whole administration costs much more than that of other portions of the Dominion. It will be seen that even this year there is a decrease in the appropriation of $15,500; the reduction last year over the year before was $190,000. The expenditure in 1910-11— ask the hon. member to note the year—was $303,674.94. The actual expenditure this year will doubtless be less than the $200,000 asked for in this item.

Mr. DENIS: What was the population in 1910?

Mr. MEIGHEN: Practically the same as now; possibly a little more.

Mr. DENIS: Does the Government receive any revenue from that region?

Mr. MEIGHEN: Yes, the Government gets a revenue in royalties; I will give my hon. friend the figures in a moment. But the country gets the benefit of a very large production there. The output of the Yukon —I speak from memory—is valued at about $4,000,000 a year, so that it is a territory of some importance. The output per capita is very high.

Mr. McKENZIE: Is there any chance of making this territotry part of the province of British Columbia some day and putting this administration under the machinery of that province?

Mr. MEIGHEN; The subject is not under immediate consideration. I do not know what the attitude of the province of British Columbia would be. The hon. member will remember that, two years ago I think, I put legislation through amending the Yukon Act so as to simplify the local machinery of administration. There used to be twelve members of the Local Council and that was cut down to three. Consequently, provision is made for salaries for three instead of salaries for twelve, and the salary of each was, I am pretty sure, reduced. We have simplified the machinery of government and thereby greatly reduced the cost. It seems to me that we would not be gaining much by adding this territory to British Columbia. There would be complications; there is some debt on the province of British Columbia; there is no debt on the Yukon Territory, and I do not know what the attitude of the people of either British Columbia or the Yukon Territory would be.

Mr. McKENZIE: I would imagine this would be an advantage to the Yukon. Every province has its educational and other facilities which it is impossible to have in the Klondike if it is administered as it is now, and all improvements which the people of British Columbia have would, in a measure, be extended to this territory if it were within the province and had representation in the Legislature of British Columbia. In that way, it would be an advantage for the people of the whole Yukon Territory to be attached to a province and subject to governmental administration like any other department of the province.

Mr. MEIGHEN: The revenue is about $97,000.

[Mr. Denis.]

Mr. DENIS: I see an item "Grant to Local Council, $90,000." Is there any possibility of reducing the expenditure through reducing these grants? I may be altogether mistaken, but I see no particular reason why the administration of the Yukon Territory should be sustained by grants from the Federal Government. Each province pays its own expenses and the Yukon Territory, as part of the Dominion of Canada, should be under the same provisions as other parts of the Dominion and should pay its expenses. Why should we have to give the Local Council a grant of $90,000 a year?

Mr. MEIGHEN: We give every province in the Dominion a grant each year.

Mr. DENIS: But if we take into consideration the respective populations, there is no comparison between the grants that we give to the people of Quebec and Ontario which have populations of from over 2,000,000 each, and the grant that we give to the people of the Yukon Territory.

Mr. MEIGHEN: I do not know just exactly how they would compare. Of course, we get a revenue from the Yukon; we do not get a revenue from Quebec or Ontario. From the Yukon we get a revenue of $97,000. That leaves about $100,000 that the treasury itself is at a loss of. The hon. member must remember this, the Yukon is a far distant territory, and the cost of administration there is bound to be much greater than the cost per capita in a more thickly settled part of Canada, where the climate, soil and methods of living are different. I have in my hand the balance sheet of the Yukon Territory, and I may say, if I have erred at all, as Minister of the Interior in the administration of the Yukon, it has not been on the side of prodigality. I have received a good deal of criticism in respect of that administration, but this is the first intimation that I have been in any way too generous as regards the Yukon.

Mr. DENIS: I am not going that far; I just want to get the information.

Mr. MEIGHEN: I may possibly have erred the other way. The balance sheet shows a loss of $10,439.88. The cost of upkeep of roads, bridges and public works is $62,000; grants to libraries, etc., $13,000; hospitals, charities and public health, $28,000; schools; $41,695. Schools have to be maintained in the Yukon and they are managed by the local council, but they are supported by the governing body, that is to say, the Department of the Interior. Then there are travelling expenses and salaries,

$9,785. Those are local salaries. Then there is Yukon Council, indemnity and travelling expenses, $4,320. If you put against that the $90,000 Dominion grant, and the Dominion grant for roads of $50,000 and all their sources of revenue, they still had a loss of $10,439.88. Notwithstanding that, we are not increasing the grant.

Dominion lands and parks, $4,546,770.

Mr. FOURNIER: I see part of this item is for Canadian National Parks, $666,000. This is an increase of $100,000. Will the minister please explain?

Mr. MEIGHEN: This increase is due practically altogether to the increased cost of labour and material. We administer those National Parks. The Dominion of Canada—not federally speaking—that is, not speaking from the standpoint of the treasury, but the people of the Dominion—derive great advantage from these National Parks, advantage not only in having recreation grounds for the whole Dominion, but in the tourist traffic, the returns per acre being figured by the officers of the department as being more for the rocks and waste lands of our parks than even for our wheat fields. Undoubtedly, speaking from the whole national standpoint, it is good public business to maintain these parks. Of the increase, $55,000 is due to increased cost of labour. Since the submission to the House of the Estimates of 1920, there has been an increase in the cost of labour in the parks ranging from 12½ per cent in the Albert aparks to 25 per cent in the British Columbia parks. The amount due to increased cost of material is $16,500. The Dominion Parks appropriations for the last six years has been as follows: In 1914-15, $681,730. It was not much below that for some years previously; in fact, in some years previously to that year it was much more than that. With the outbreak of the war, the appropriation was cut down. In 1915-16, the appropriation amounted to $349,670; 1916-17, $349,670; 1917-18, $300,000; 1918-19, $300,000; 1919-20 $566,000; 1920-21, $666,000. There is no increase except such as is caused by increases in cost. The amount this year is $15,730 less than the appropriation for 1914-15.

Mr. ROBB: Has the minister had suggested to him by his officials the advisability of oiling the roads in the western parks? The tourist traffic is becoming so heavy that at certain seasons of the year the roads become somewhat dusty. I agree with the minister that we have no greater source of wealth than the national parks equipped to take care of tourists, who bring an immense amount of wealth to the country. It occurred to me that instead of sprinkling, the minister might make a permanent job of it by oiling the principal roads in the parks.

Mr. MEIGHEN: Mr. Harkin, the head of the Parks Branch, a very competent official indeed, favours that being done. It is only a question of cost. The hon. member will recollect that this year we are engaged in a project of some importance, certainly of some expense, and that is the completion of the Banff-Windermere Road. An agreement was made with the province of British Columbia whereby the Dominion Government took over the completion of that road between the Banff National Park and the provincial road that runs down to the Kootenay and then northeasterly within fifty miles of the limits of the province. The province gave us in turn five miles on either side of the road, quite an extensive territory, which has been added to the national park and which was very essential for the purpose. On account of that expenditure we are not going into any other capital expenditures that we can avoid at the present time. I am informed that we oiled some roads last year, and that we are providing for oiling some additional roads this year. The head of the Parks Branch favours the extension of that method just as rapidly as we can do it.

Mr. LEMIEUX: Is the herd of Buffalo owned by this Government materially increasing?

Mr. MEIGHEN: Very rapidly. We have now about 5,000.

Mr. LEMIEUX: How many were there formerly?

Mr. MEIGHEN: There were 700. We have a herd of very great value indeed. The hon. member may have noted that at the recent fur auction sales in Montreal some buffalo heads and robes and some furs were offered there with very encouraging results. The three buffalo heads that we offered sold for $1,025, $610, and $315 respectively. We sold 38 robes at an average of $76. The total amount realized from the small offerings that we put up at the sale was $4,838. Arrangements have also been made for the disposal of the meat of such buffaloes as we find it the part of wisdom to kill, that is, males that we think are sufficiently far on that they should be killed.

Mr. LEMIEUX: I am very much interested in the details given by my hon. friend.

I think it was a wise suggestion that was made some years ago to re-stock our national parks with Buffalo. A fact which is not generally known, but which I happen to know, is that the idea of bringing back that herd, which was somewhere in Mexico, originated with a younger brother of the late Premier, Sir Wilfrid Laurier. Sir Wilfrid Laurier was very much interested in that herd. His brother was one of the agents of the Government somewhere in Michigan, and had met the owner of this herd of buffalo, and that is how it came about that Canada purchased it.

Referring to the far away northern regions of which we were speaking a moment ago, may I ask whether the Government have accepted the idea which was propounded by Stefansson, the famous Arctic explorer, of utilizing reindeer herds for the supply of meat in Canada? I have noticed by the press, and especially by lectures given by Stefansson, that he is very much taken with the idea that the reindeer herds, which are very numerous in the Far North, might be utilized for food in the civilized districts, but I do not know whether this idea has taken root with the department or whether anything has been done in connection with the matter.

There is another matter I wish to bring to the attention of the minister. Some years ago the then Minister of Marine, the late Mr. Prefontaine, and later Hon. Mr. Brodeur, sent an expedition to the northern waters of the Atlantic, and reports were made about some very valuable coal deposits in those northern regions. Has anything been done by the department with a view to exploiting those coal areas? Has any definite information been ascertained about their location, and whether they would be worth developing as a commercial proposition?

Mr. MEIGHEN: Replying to the first inquiry as to the utilization of the northern caribou for food purposes, some months ago, on my recommendation, the Government appointed a commission composed of Dr. Rutherford, as chairman; Mr. McLean, the manager of the Harris Abbatoir; Mr. Harkin, the head of the Parks Branch; and Mr. Stefansson, to investigate and report first of all as to the feasibility of the idea, for which, of course, Mr. Stefansson has been the chief sponsor, and secondly, as to any practical steps that might be taken to that end. The commission has held many sittings and has devoted itself assiduously to its work. I may say that the members of the commission have taken the greatest possible interest in it, a much greater interest than they ever anticipated they would take when they undertook the task. They have not made a report as yet. In the meantime some practical ideas in Mr. Stefansson's mind developed, and he felt it his duty to withdraw from the commission. Subsequently, he made application himself for a territory in the North. I may say that before that was done, on the recommendation of the commission, three islands in the northern part of Hudson Bay were reserved and set aside for utilization in this way by the Government later on as it might be advised. Then this application came for the lease of what might be roughly described as the south half of Baffin's Land, or more accurately, all the land in Baffin's Land south of the sixty-eighth parallel, and including a strip ten miles wide along the north shore of Lake Nitilling, in the centre of Baffin's Land, which no white man has yet seen. The application was for a lease of thirty years, renewable, of the grazing rights only, for the purpose of the establishment there of a domesticated reindeer herd brought from Northern Europe or such other place as a herd could be obtained. The lease is not signed, consequently I would not care at the present moment to go further into details. In so far as the Government is concerned the authorization of execution has gone through and we await Mr. Stefansson's return here. I believe he has even succeeded in interesting capital. He has interested capitalists who are not strangers to this country but are just that class who would be most likely to succeed in this venture, those of the experience that would warrant a prediction of success, if such could with confidence be predicted of any. So that very marked progress has indeed been made. Having entered into the arrangement with Mr. Stefansson along the lines of this lease, which is prepared and completed, though not executed, and ratified and commended by the commission to which I referred a few minutes ago, we have made rapid progress, and it really looks as though a practical step was soon to be taken for the development in Baffin Land of a domesticated reindeer herd such as has been developed in Alaska with really astounding success. There seems no reason why similar success should not attend the enterprise here. The intention is to enlarge the number of domesticated animals year by year by incorporating a limited percentage of native caribou. Of course, proper provisions are made for the protection of the rights of the Eskimo; all rights of shipment,

etc., are taken care of; and the Government is endeavouring to provide for receiving itself certain numbers of these domesticated animals, mainly with the idea of utilizing them for the assistance of the Eskimo and northern Indians who are now suffering very much indeed through the loss of their hunting preserves in certain portions of Ungava and other parts of Canada.

The hon. member (Mr. Lemieux) referred to certain reported coal deposits in Northern Canada. There undoubtedly have been some discoveries of coal in the islands of the Arctic, but I really do not feel in a position to express an opinion as to whether or not they are commercially valuable at the present time. I do not know that the officers of the department have any opinion on that question at least, not the officers of the department of the Interior.

Mr. BELAND: What are the present regulations governing the hunting of big game in the parks? Is the policy of the department as regards the next few years one of prohibition?

Mr. MEIGHEN: Absolute prohibition.

Mr. BELAND: Does the department intend that after a certain number of animals have been acquired through the protection afforded it will permit hunting to some degree?

Mr. MEIGHEN: The time may come in the not-too-distant future when hunting may be permitted by reason of the increase which the prohibition will effect. But for the present the policy of absolute prohibition is being maintained, and there is no intention, in the near future, at any rate, to depart from that policy.

Mr. BELAND: What number of buffalo will satisfy the minister as being sufficient to warrant a certain amount of hunting?

Mr. MEIGHEN: The buffalo are not to be hunted in any case. We do not intend to expose them to the hunter, no matter how numerous they become. We rather intend to utilize any excess which we think might be got rid of by the sale of the robe, the head and the meat. That is the use we intend to make of them; we will not expose them to the hunter.

Mr. BELAND: Only the official hunter.

Mr. MEIGHEN: Neither the official nor the unofficial.

Mr. POWER: I would call attention to an item of $4,000, a grant to the Canadian Forestry Association. I should be the last to ask the minister to indulge in any extravagance, but it seems to me that if there is one association in the country which deserves well of the country and of the Government it is the Canadian Forestry Association. Since its inception some years ago it has called the attention of the public of Canada to the fact that our forest resources throughout the country were very rapidly diminishing and that if we did not within a very short time take some action we would be in the same position as the United States; and not having a weaker neighbour I do not know whether we could use any big stick to pass Underwood resolutions. Anyhow, we would have no more wood.

Mr. MEIGHEN: So that we could have no stick.

Mr. POWER: Exactly. Since this association has taken up its work it has, by means of lectures and an exhibition car, instructed the people throughout the length and breadth of the country, both the children and the grown-ups, many of whom were in sad need of instruction in this respect, in the necessity for forest conservation. The association has lecturers who tour the country at considerable expense. It is true that their members are fairly wealthy, but to my mind this is a work which should be materially helped by the Government of Canada, and I am sorry to see such a small sum as $4,000 provided for it. You could easily raise the amount to $10,000 and do $10,000 worth of good to Canada.

Mr. MEIGHEN: The amount is the same as in previous years. I believe that the Forestry Association, speaking generally, does very excellent work, and I enthusiastically believe that the work it is undertaking now in the way of public education in the matter of forest conservation is one of great importance. Possibly, if that work develops, we may consider an increased appropriation next year.

Mr. POWER: Is the Forest Products Laboratory included in this?

Mr. MEIGHEN: No, we support that ourselves. The hon. member must bear in mind that the Forestry Association is made up of men who for the most part have a great deal at stake in forest preservation. It is a fairly large body of men including some more than fairly well-to-do men. It must also be remembered that the forests are privately owned in large degree, provincially owned in considerable degree, and federally owned in considerable degree as well. Consequently the obligation is not wholly on the federal Government in this

regard. Indeed, the Federal Government goes to very considerable expense in forest preservation itself. We have felt all along that we were doing our fair share in making this grant to the Association because, while the federal interest undoubtedly is great, the private interest is great as well.

Mr. BELAND: The Government is subsidizing to quite a large degree the Conservation Commission which was created some years ago and which was headed for a number of years by Sir Clifford Sifton. This Commission has interested itself extensively in the preservation of forests and in their preservation particularly against fire. Their findings and recommendations have been adopted, I think, by the Railway Commission and regulations have been issued to the railways. I am not in a position to give the details but I intend at some time when this item is under consideration to supply the House with more information in that regard and especially with reference to the preservation of forests.

Mr. ROBB: There is in this item a sum of $500,000 for seed grain advances:

Seed Grain Advances—amount required to meet uncollected portion of advances of Seed Grain made in the Western Provinces 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 Sec.-Treasurers of Municipalities and officers of the Provincial Departments of Agriculture and clerical assistance, etc., $500,000.

Does that represent the total grain that was advanced? I suppose that was for last year, I figured that on the basis of the prevailing prices at the time and at a very conservative estimate there is seed grain enough to seed at least 166,000 acres. Are we to understand that seed grain sufficient to seed 166,000 acres has been supplied and that the purchasers have defaulted in their payments to the banks?

Mr. MEIGHEN: Yes. The drought in Alberta and southern Saskatchewan was so extensive and malignant that they were not able to pay. Indeed, the amount of suffering entailed on the farmers of these districts last year is, I think, scarcely apprehended by this House. I went through Alberta and southern Saskatchewan in August last and the condition of virtual destitution that obtained in many parts was distressing. It was not a case of unwillingness to pay; it was a case of no crop at all and a struggle to bring the stock and the family through the winter. That is the reason the amount is so substantial. This is to pay the banks in respect to the advances made by them and not repaid by the farmers. The amounts advanced were very largely in districts which last year unfortunately were drought-stricken, but the promise this year from all indications now—and indeed the worst of the peril is past—is that the crop will be very prolific. The amount advanced to the banks in 1919 was $632,238.31, and the amount repaid to the banks up to date is $78,026.11, leaving the amount still owing of $554,312.20. That is for last year. We had $575,000 set aside to meet that. It was more than sufficient by about $20,000. For this year there has been advanced: Wheat $387,707.50, oats $228,073.71, barley $15,420. All these articles are at such high prices that it does not take a great many bushels to make up a large amount. The total is $631,201.25. We are asking for $500,000, believing that the excess will be paid. These Estimates were made up some time ago but the weather conditions since have been excellent so that it would look now as if we would not need this amount.

Mr. SINCLAIR (Guysborough): Is this for seed for the present year?

Mr. MEIGHEN: Yes.

Mr. SINCLAIR (Guysborough): I asked some time ago how much was overdue and owing to the Government on account of the advances made on purchases of seed grain for the use of the Prairie Provinces to the 31st December 1919, and the answer I got was: $1,493,121.11. It would seem that the western provinces are getting into the habit of asking the Government to buy their seed grain. It would appear to men coming from Eastern Canada that the time had almost arrived when the western provinces should be able to finance themselves in so far as seed grain is concerned. I would like to know why we in Eastern Canada are required to advance money for this purpose any longer to wealthy provinces like the Prairie Provinces of to-day. No part of Canada is making money so rapidly as the Prairie Provinces are, and this is getting to be a very old story. Some of the Canadian papers published things that happened 25 years ago. Some days ago I came across an item in the Montreal Gazette:

TWENTY-FIVE YEARS AGO.

(The Gazette, Feb. 9, 1895.)

Ottawa.—Mr. Nicholas Flood Davin, M.P., is urging that a grant of seed grain be made to settlers in the Moose Jaw and Regina districts. It is questionable. however, whether the request will be granted, as the impression is

general that the settlers in the Northwest have done very well in this respect in the past, and it is about time to call a halt.

That was twenty-five years ago and the halt has not been called. I would like to know if matters are in such a condition that it is necessary to continue to make advances to western farmers in order to finance their seed grain.

Mr. MEIGHEN: We simply finance the homesteaders. I disclaimed all responsibility in connection with privately owned lands two years ago when I came into the department first, taking the ground that it was the duty of the province to provide for all necessary cases of seed grain and relief with reference to private lands. But where we have men on homesteads they are our especial responsibility. The lands, in the first place are not taxable by the provinces and on that account it is always assumed that they are the special responsibility of the Federal Government. Now that was not always the case. In 1914 was it not?—yes 1914—there was such widespread distress throughout all that country, on account of the total failure of crop the year before, that the Federal Government assumed the obligation as respects private land and homestead land, and an amount of $12,309,607.36 was advanced in all. There were many at that time who said—in this House and out of it—that the money would never come back, that it was gone; and it was argued then that even if it was gone the amount that could be expected in the way of production would be of greater advantage to the country and be better for all than if the destitution were allowed to continue and consequently there be no crop at all throughout this acreage of Western Canada. Anyway the money was advanced, most of it for seed grain, $7,560,000; but for relief alone, to simply relieve distress, $4,748,000. Now of that sum of $12,309,000 up to a very recent date there had been returned on principal $9,444,391.38 and on interest $889,387.55. The total repaid was $10,333,778. Now that is returned notwithstanding the fact that in those very districts in the last three years there have been what you might call two complete failures and one semi-failure—in the same districts where all this was advanced—consequently there has been very little that could possibly be repaid in those three years. If this year turns out as it now promises there should be a very small balance left after that and, of course, we have security for this money. Consequently there cannot be the slightest doubt of the wisdom of the help given in 1914. However, all we are doing at the present time is this: We provide through the banks for advances to homesteaders to obtain the necessary seed where they cannot get it any other way. I do not think we are supplying any relief at all other than seed grains. The province has to take care of the rest, and they do it with very much the same machinery and by very much the same method as ourselves. We guarantee the banks money but we only guarantee them five per cent to get their bank interest, and they are only allowed to charge seven. They must collect the money themselves. Unless they collect it themselves all they can ask us for is the five per cent, and if we pay it we take over the security and have the same lien that they have.

Mr. SINCLAIR (Guysborough): The Government do not collect it then, they pay it to the banks?

Mr. MEIGHEN: Yes, and that is what this vote is for.

Mr. RICHARDSON: Before the item carries I would ask the minister if anything has been done with reference to the setting aside of some territory along the Winnipeg river for a national park; also whether Elk island has been set aside as a game preserve? I would urge the desirability of a park set aside in the province of Manitoba. I do not think we have a park in that great province, and since the boundaries of Manitoba have been extended it would seem particularly desirable that park accommodation should be provided.

M.r MEIGHEN: There has been discussion, and suggestions have been made to the department to set aside territory along the shores of lake Winnipeg as a national park, but no step has been taken to that end. We have power to do it under the Parks Act, but as yet the idea has not been favourably considered. Elk island has been disposed of under a long term lease for summer residence purposes and therefore could not be made a game preserve at the present time.

Mr. ROBB: Reverting to the seed grain question, I quite agree with the minister's statement as to the conditions prevailing in a certain section of the western country, from a point west of Moosejaw and continuing along up. I witnessed those conditions myself. But what I would like now to know from the minister is this: The Government knew of these conditions in September last; was the seed grain purchased

at the initial price established by the board, or did the Government wait until the price had been advanced seventy or eighty cents a bushel and make the purchases this year?

Mr. MEIGHEN: The grain is bought locally, but it is first inspected by the seed commissioner and all orders given can be filled only after such inspection. The bank provides the money. The man first goes to the Dominion Lands Agent and has his application O.K'd or viséd by that agent who knows just what farm he has and takes evidence as to what land is ready for cultivation. From the land agent he goes back to the bank. Then there is seed provided, locally inspected seed, which he can obtain. He gives his security and his note to the bank and goes and gets his seed.

Mr. ROBB: I think the minister has misunderstood my question. The minister himself, as the head of the department, acknowledges that in September last he realized the conditions then prevailing and knew that that section of country required seed. What I want to know is, was the seed bought at the prevailing price in September, October or November, or did the Government wait until the last prices that were put in in the month of March?

Mr. MEIGHEN: I am not sure that I can answer that question. Perhaps some hon. member is present who would know the facts, but my recollection—I fear I have to depend on newspaper reading for this—is that the seed was provided by the Wheat Board at a price of possibly $2.45 a bushel.

Mr. ROBB: Two dollars and forty-five cents a bushel at the lake port or in the interior?

Mr. MEIGHEN: I think that would be the Fort William basis; it was less than that in the interior.

Mr. ROBB: Is the minister sure of that?

Mr. MEIGHEN: No, I am not sure of it at all. I depend on newspaper reading for that. I do not know whether there is any hon. member of the House present who would be more familiar with the subject than I am. However, it does not pertain to this particular item. In this vote we figured on an average of $2.50.

Mr. POWER: With regard to another item—not being on the ministerial side of the House I seem to be among the small items—of $1,000 for the Alpine Club of Canada. Now we have just been told that $4,000 is a great deal to encourage one of our greatest national industries and help us to conserve our forests. If $4,000 was enough for that purpose, it strikes me that $1,000 is altogether too much to help people to attempt to commit suicide on our Canadian Alps. Unless there is another reason for this vote, I do not think we should give the organization in question $1,000.

Mr. MEIGHEN: If every investment this country makes produces the return on $1,000 that the grant to the Alpine Club does we will soon be a very wealthy people. The Alpine Club is a voluntary organization which, corresponding with the Alpine Club in Switzerland, explores the mountains of Canada and induces tourists from all over the world to take an interest in the Canadian Rockies and in exploration generally of an alpine character in the Dominion. We could not get that work done as cheaply in any other way. We could not get the interest taken and the tourists to come unless we had some such voluntary organization as this—except, of course, at very great expense. This is just the kind of organization to encourage, because we get the results with the least possible delay. They make exhibits at the Alpine Congress, which has lately been held at Monaco, and are thereby instrumental in exciting interest in the Canadian Rockies among those who gather there and who are devoted to mountain climbing and to exploration.

Mr. POWER: Is that the best reason that can be given for the expenditure of $1,000 for advertising? I understand the minister to say that by making this contribution to this particular club we direct the attention of European climbers to the mountains that we have here in Canada.

Mr. MEIGHEN: We get their money.

Mr. POWER: Yes, but the people who get the money are the Canadian Pacific Railway Company and the steamship companies. Why should not these corporations pay for this advertising in order to bring the tourists here?

Mr. MEIGHEN: They spend a lot more than that.

Mr. POWER: They probably do, but it seems to me that it is their duty to do it, not the duty of the Government. After all, we are not advertising the scenery of our country. If you will come down to Quebec I will show you good scenery. Give me a couple of thousand dollars and I

will advertise it for Quebec; we will form a club and spend it, if you like—we will do anything like that to please the minister. This club is, I assume, composed of wealthy men; mountain climbing is a sport which requires wealth as well as strength and some foolhardiness. Under the circumstances, I think that this money is badly spent. If the minister will devote this $1,000 to forestry purposes, I shall be satisfied.

Mr. PARENT: There is an item here of $256,000 for surveys and investigations of water and power resources and for administration of water-powers, etc. I would like some information as to the purposes for which this money is to be spent.

Mr. MEIGHEN: This is the expenditure of the Dominion Water-powers Branch. There is an increase in this item of $39,000. I would like the committee to note that taken all through there is a decrease of about a million and a half dollars in the amount of this vote. The increase of $39,000 is due principally to the following causes: Increased cost of living and expenses of surveys; considerable additional cost arising from the return of many members to the staff from overseas service whose salaries were not paid while absent; certain new work arising under the agreements which have been executed pursuant to the Dominion Water-powers Act with the provinces of Ontario, Nova Scotia, New Brunswick and Prince Edward Island. Although these provinces own their own water-powers they have sought to obtain the assistance of the Dominion Water-powers Branch in the classification and securing of uniform data with regard to all these water-powers.

Mr. PARENT: How many years ago did they ask for that assistance?

Mr. MEIGHEN: Nova Scotia about four years ago; New Brunswick about a year and a half ago; Prince Edward Island and Ontario about a year ago. Only a few weeks ago I received a letter of appreciation from the premier of New Brunswick with regard to the services rendered by the Dominion Water-powers officials in relation to New Brunswick water-powers. Representatives from Prince Edward Island have rendered like testimony, and I know that the Government of Nova Scotia are of the same opinion. There is no doubt as to the value of the work done and of the services rendered to these provinces. That is the main cause of additional expense in the last two years, and it has been an expenditure that has undoubtedly been of great advantage to the country.

Mr. PARENT: I should think that the provinces would know what water-powers they respectively possess. It seems to be taking a long time for the Dominion Government to find out what water-powers there are in Prince Edward Island, Nova Scotia and New Brunswick. Surely the country should to-day be in possession of the facts with regard to the water-powers of each of these provinces. Every year we have an Estimate of this sort; yet it is safe to say that the water-powers are not increasing or decreasing. What are we paying for? If there is no answer to that—

Mr. MEIGHEN: I did not want to interrupt the hon. member; I was waiting until he had finished.

Mr. PARENT: Has any amount been spent in the Ungava district so far as water-powers are concerned?

Mr. MEIGHEN: We have not had any request from the government of the province of Quebec to do for that government what we have done for the governments of the other four provinces named. Should we be requested to do so we would be quite prepared to co-operate with that province as we have with the others. Now, it is not a matter of finding out what water-powers there are in a given province. It is a question of getting all the facts about the water-power and getting them on such a reliable basis that they are of some use to intending investors. It is necessary to get stream-flow data extending over a number of years and over different periods of each year so that any one who seeks to acquire a water-power with a view to developing it and establishing an industry based thereon will know just what he is getting and what he can depend on and thus avoid the wasting of capital. In many cases—indeed, I have a case in mind at the moment—capital has been invested on supposed data as to stream-flow; the data has subsequently proved to be unreliable, and great waste has consequently been incurred. Capital is getting more and more careful in the matter of investment in water-powers. The value of this material can scarcely be overestimated. Moreover, it is essential that there be uniformity in the method of estimating water-powers and the various essential factors of water-powers. A uniform system has been devised, a system that was tested out recently in a conference in Great Britain on the subject of the whole water-

powers of the Empire; it was ascertained to be the best used anywhere, and it is now being copied in all the countries that were present at that conference. By means of the systems of the federal Water Powers Branch, the provinces are enabled to get their data, not only reliable gatehered, but made to fit into this uniform system, so that a water-power at any point in British Columbia may be compared with a water-power in New Brunswick in every factor that goes to make up the value of a water-power. That is what has been done, and the results are apparent and are becoming more and more apparent all the time. Applications are coming in for these water-powers, and the water-powers of Canada are to-day actually developed to a greater percentage, I think I may say, having regard to population, than those of perhaps any other country in the world. We have now something over 2,000,000 horse power developed on the water-powers of Canada. I think that is over 10 per cent of the whole developable water-power in what might be described at habitable Canada.

Mr. PARENT: I understand from the remarks of the minister that possibly a report has been made to the department by the engineers who have made investigations and surveys. If such a report has been made, I wonder why it has not been published, so that the public would have the information.

Mr. MEIGHEN: The reports are published. I will give the han. member before ten o'clock to-morrow morning more information as to Canadian waterpowers than he will be able to read in two weeks.

Mr. PARENT: That is going pretty far.

Mr. MEIGHEN: And absorb.

Mr. PARENT: That is better. The minister, in referring to the Commission of Conservation—

Mr. MEIGHEN: It is the Water Power Branch that has all the material. That has been published somewhat by the Commission of Conservation, but the material has been gathered by the Dominion Water Power Branch.

Mr. PARENT: Who is in charge of that particular branch?

Mr. MEIGHEN: Mr. Challies is in charge; Mr. Johnston is next in order.

Mr. ROBB: Are these gentlemen hydraulic engineers?

Mr. MEIGHEN: Yes, they are both hydraulic engineers.

[Mr. Meigben.]

Mr. PARENT: Have these engineers made a special survey of the St. John river in New Brunswick, and if so, what is the result of their investigation?

Mr. MEIGHEN: Mr. Smith is engineer in charge down there, and I would be only too pleased if the hon. member would write to the premiers of each of the Maritime Provinces as to their opinion of Mr. Smith's suitability and capacity for the work.

Mr. PARENT: I am not discussing that at all.

Mr. MEIGHEN: He has made a special survey of the water-power of the St. John river. I do not know if it is completed or not; but I have no doubt a considerable amount of information could be abtained at our branch, or perhaps more fully up to date information could be obtained from the New Brunswick Government itself, because Mr. Smith works immediately in cooperation with the Government of New Brunswick.

Mr. PARENT: If this estimate was being presented in the New Brunswick legislature, the remarks of the minister's would apply properly. If I were applying to the Premier of New Brunswick, I could probably get more information than I can from the minister now. But this Estimate is for $256,000 spent by the Dominion Government on surveys of different water-powers in New Brunswick, Nova Scotia and Prince Edward Island. I ask the minister if his department out of this sum of $256,000, has spent any amount in surveying the St. John river in New Brunswick, and if so, what is the result of that investigation. My question is addressed, not to the Premier of New Brunswick, but to the Minister of the Interior whose Estimates are before Parliament.

Mr. MEIGHEN: This money is not spent yet; it is to be spent.

Mr. PARENT: Has nothing been spent in the past?

Mr. MEIGHEN: Yes, but not this sum.

Mr. PARENT: What has been spent in the past?

Mr. MEIGHEN: Money has been spent, and as I informed the hon. gentleman, some of it has been spent in respect of an investigation into the waterpowers of the St. John river. But the result would be very meagre if it were such that a minister, especially a minister who is not an engineer, could from his place in the House give the result to an hon. member opposite.

It would not be any good at all, if it was of that character. The report is compiled in such shape that a layman can understand it all right. I do not know just how far the investigation has progressed in relation to the waterpowers of the St. John river, but the report is compiled and the hon. member is quite welcome to it. He can obtain it most directly by going to the Waterpowers Branch; and I said as well that it would be available in the offices of the provincial Government of New Brunswick. The hon. member, however, does not need to go there; he can take his choice. The report is available there for any intending investor.

The CHAIRMAN (Mr. Steele): Shall the item carry?

Mr. PARENT: I should like to get an answer before I decide on this item. It may be all right for the minister to make the remarks he has made, but I believe the committee is entitled to find out where and how this money has been spent. When we are told during the last four years Prince Edward Island, Nova Scotia and New Brunswick have been using that money to find out what waterpowers they possess in their respective provinces; we ought to know what they discovered in those provinces and whether that amount of money was spent to some useful purpose.

Mr. MEIGHEN: Does the hon. member want me to tell him how many waterpowers there are on the St. John river, what the best method of development is, what the stream in low water season is, what the best reservoir system is, and so on? Is that the information which he thinks I ought to give to the committee?

Mr. PARENT: If the department has done some work on the St. John river, I should like to know what it has done. If no result has been obtained, why spend money in this way?

Mr. MEIGHEN: There are results. Does the hon. member mean that I should put the report on the Table of the House before this item passes, or does he want me to read over all the report?

Mr. PARENT: If the minister has the information, I have no objection.

Mr. MEIGHEN: Then, we shall be here for a week. What is the hon. member trying to do? He surely does not mean that I should read over the reports of our engineers in regard to the St. John river. Those reports are available for any member of the House. If the hon. member desires that they be put on the Table, there is no objection to that. Does he expect me to give the committee in detail all this scientific information?

Mr. PARENT: My question is very simple.

Mr. MEIGHEN: Yes, the hon. member asks me if this is all for nothing. Certainly, it is not for nothing, far from that; it is for the most useful results.

Mr. PARENT: What are those results?

Mr. MEIGHEN: They are embodied in those reports.

Mr. PARENT: Let the minister give us an idea of what those reports are and what the engineers find.

The CHAIRMAN (Mr. Steele): Shall the item carry.

Mr. CANNON: No. I think the hon. member is very fair. This is a large item. Work has been done in the past, and the hon. member asks the minister what work has been done and what results have been obtained. The minister says that is a difficult thing to do. That may be so, but the minister is surrounded in this Chamber by his officers, and if he cannot go into every particular detail, he can give a summary to the committee. After all the minister, even though he is a minister, has to give information to the House when he wants money. We are not going to vote money without knowing the purpose for which it is intended. What is going to be done with this money this year? If the minister says that it is for scientific purposes, let us know for what scientific purposes. I think the inquiry by the hon. member (Mr. Parent) is very fair and the minister ought to give us the information.

Mr. MEIGHEN: If the hon. member will ask for any detail I will endeavour to get it.

Mr. PARENT: How many water-powers are there on the St. John river, and on what particular ones have the engineers been working?

Mr. MEIGHEN: The two I recall offhand are the Grand Falls site on the St. John river, about 50,000 horse-power, and the Great Falls site about 50,000 horsepower. On the Indian river in Nova Scotia the province of Nova Scotia is expending approximately $1,000,000 in development, based on the data obtained through Mr. Smith and the Water-powers Branch. I do not know just what British Columbia purposes doing, but I do know what the opinion of the Prime Minister is

as to the work. Of course, everybody knew that these two falls were on the St. John river. It is not to find out whether the falls are there that the Water-powers Branch is working. The information they gather is as to the minimum and maximum stream flow over a number of years, the best method of developing that water-power, the best utilization to make of it, the best system of reservoirs, so as to make the maximum flow of the high season available in the low season, and all such data as that, best understood by enginers, but which is so prepared, though in very detailed form, that anybody can understand it after study.

Mr. PARENT: I gather from the minister's remarks that now they have all this data concerning the falls on the Indian river in Nova Scotia, and Grand Falls in New Brunswick, which I understand to be the most important water-powers of these two provinces, that he would have no objection to reducing this item this year, as the most important work of the engineers must be over.

Mr. MEIGHEN: The investigations proceed from the more important rivers to the less important rivers. I do not think they are complete even as to the powers on the St. John river. The investigations certainly are not completed as to the other water-powers of New Brunswick, and they are being undertaken for the first time in Ontario. It is only about a year since we made our agreement with Ontario, so that is one extra account this year. The main cause of the increase, of course, is not only this co-operative work with the provinces, but the increased cost of surveys and materials.

Mr. PARENT: What kind of agreement has been entered into between the Dominion Government and the Ontario Government in regard to this matter?

Mr. MEIGHEN: I can lay a copy of the agreement on the Table. It is just the same in substance as the agreement we made with Nova Scotia and New Brunswick. It provides for the supply of a certain number of men, by hours, under the Water-powers Branch, and for equipment. They undertake to provide certain supplies, provisions to the men, and so forth.

Mr. TRAHAN: How much will be expended in New Brunswick next year?

Mr. MEIGHEN: About $9,500.

Mr. TRAHAN: In Nova Scotia?

Mr. MEIGHEN: Also $9,500. Prince Edward Island $1,000, and Ontario $41,000.

[Mr. Meighen.]

Mr. TRAHAN: That does not amount to $256,000.

Mr. MEIGHEN: No, because we have our own water-powers. It was the hon. member for Quebec who said it was all being spent there; I never said it. We have our own water-powers in Western Canada and in British Columbia. We have no agreement with the province of Quebec, but we are just as ready to make an agreement with them as with any other province. Included in the water-powers of Quebec, of course, are the powers of the St. Lawrence river. There is considerable information on that now, and these powers are being pretty much developed, but there is no question that a very great deal of valuable work could be done in that province.

Mr. TRAHAN: What surveys of water-powers will be made in New Brunswick next year?

Mr. MEIGHEN: The basic work is the stream measurement, not of any special river, but of all the rivers. That goes on concurrently. The staff is also engaged in gathering other data, first, as regards the major water-powers, and next as regards the minor water-powers.

Mr. TRAHAN: Under the agreements the minister has referred to do the provinces pay a part of the expense of the surveys and investigations, and if so, what part?

Mr. MEIGHEN: The division is something like this: The Water-powers Branch does the main basic fundamental work in order that it may be done the same in all the provinces, and in order that the information may be related to fixed standards. Then the province does the special detailed work.

Mr. PARENT: Has this department anything to do with the protection of fish where a water-power is being developed on a river?

Mr. MEIGHEN: In Western Canada, where we own the water-powers, when we are making an agreement with the party who develops the power we insist that he provide a fishway, and I have no doubt that the provinces would similarly provide with respect to their water-powers in any agreements made by them.

Mr. PARENT: I am calling this matter to the attention of the minister because all the provinces are not following the same practice. The requirements as to the construction of a dam and fishway are not the same in all the provinces. I would impress on the minister and the department that if

they would draw up plans and specifications which would be distributed to every province, so that we would have uniformity in the building of dams and fishways, they would be rendering a good service to the country at large.

Mr. MEIGHEN: I think that is especially the province of the Department of Marine and Fisheries. We comply with their regulations in connection with all our water-powers in Western Canada, and I would expect the provinces would comply with the same regulations, this being a fisheries matter, so there should be uniformity.

Mr. CANNON: I have seen in the papers that it was the intention of the Government to hand back to the western provinces their natural resources. If that is correct, will the water-powers be included in those natural resources?

Mr. MEIGHEN: I cannot say whether they will or not. It would depend on the final result of negotiations. I have taken the ground that it would be better not to include them, for the reason that the rivers upon which the water-powers appear are interprovincial rivers; and the control of those rivers, as regards the water-powers as well as irrigation, would seem to me to be better within the purview of the federal authorities. It would have been better for Ontario and Quebec had that rule applied. I have heard many authorities say that there would have been much better development of the Ottawa river, for example, had it not been for the divided authority on either side. However, it is not for me to say whether the water-powers would go with the other resources or not. I only express my individual opinion when I say that I think it would have been better for all concerned if this were not the case.

Investigations, triangulations, precise levelling, topographic and field astronomic work, etc., $291,000.

Mr. MEIGHEN: There is an increase in the Geodetic Survey Branch. We have 21 men back from overseas, and last year's vote was cut down to such an extent that we could not keep the men in the field. We were paying them salaries but had to bring them in before the season was nearly over because we had not money to supply the equipment to go on; and at the same time we were called upon by other departments to prosecute geodetic surveys, for several of the departments depend upon us in that respect. We have these men back from overseas, and unless there is an increased vote we shall either have to dispense with them, although their services are required, or else utilize them half of the time and pay them all the time. That is the reason I ask for this increased vote. We desire to use the men all of the time to good advantage.

Mr. PECK: Does the minister not consider that the work of the different survey departments of the Government might be concentrated and centralized under the Geodetic Survey Branch, as in the United States? In the minister's department there is a Topographic Survey, and there is a Tidal Survey in the Marine Department, and it seems to me that there may be some duplication of work. Perhaps it might be in the interest of efficiency and economy to have this survey work centralized.

Mr. MEIGHEN: The matter has been brought to my attention, and I gathered the surveyors together one day and discussed it. I remember that my chief impression was that there had not been nearly so much duplication as I thought there had been. There is, of course, some duplication, and possibly reorganization under a single head would be better, but there are difficulties in that direction. However, I intend to go further into the matter in the coming year.

Expenses connected with the survey and demarcation of International Boundaries, including $1,000 to J. J. McArthur as International Boundary Commissioner, $45,700.

Mr. PARENT: What is this money required for and where will it be spent?

Mr. MEIGHEN: The International Boundary survey has been going on for years and years. It is nearly complete, and that is why we are contracting the expenditure each year. It is reduced this year by nearly $18,000.

Mr. PARENT: What part of the country is the work being performed in now?

Mr. MEIGHEN: I am informed that this is nearly final; there will not be much next year. I can tell the hon. member where the money is spent. It is for more complete marking of the boundary line between Alaska and British Columbia in the neighbourhood of Portland canal and the Unuk and Stikine rivers, this territory having been surveyed fourteen years ago, when monuments were placed at irregular intervals. Great mining development has taken place in those districts close to the boundary within the last few years. The mines are near the boundary, and fortunate-

ly for Canada they are on the Canadian side. In my opinion, there will have to be a permanent commission whose duty it will be to maintain these monuments. I do not think we can get along without it, and there will have to be a convention between the two countries to provide for the permanent maintenance of the monuments now virtually completed all along the 5,000 odd miles of boundary.

Mr. CANNON: If this commission is appointed, is it the intention of the Canadian Government to make the appointments, as regards the Canadian commissioners, without consultation of the Imperial Government?

Mr. MEIGHEN: I do not know what the practice is, but I should think that whether there would be consultation or not, the selections would virtually be made by the Canadian Government. The boundary commission is now composed of officials of this Government alone, Mr. McArthur being at the head of it.

Mr. CANNON: I asked the question because, as the minister has mentioned, a part of the work for which this Estimate is asked will be done in Alaska. I suppose that work is to put into force the conclusions of a famous Alaskan Boundary Commission, the result of whose investigations was most unsatisfactory to all Canadians. As the minister knows, on that commission there were two Canadian commissioners who refused to sign the conclusions arrived at by the majority. The Canadian commissioners were over-ruled by the American commissioners, with whom the British commissioners joined hands. I infer from the past, therefore, that whenever questions arise as to the determination of boundaries between Canada and the United States the Imperial Parliament has always made appointments. If, in future, the suggestion expressed by the minister to-night were adopted; that is to say, if the commissioners were solely appointed by the Canadian Government, the results might be more satisfactory.

Progress reported.

On motion of Hon. Mr. Meighen the House adjourned at 1 a.m. Wednesday.

## Wednesday, June 9, 1920.

The House met at Two o'clock.

### QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

[Mr. Meighen.]

#### ISLE MADAME—FISHERY OFFICERS.

Mr. McKENZIE:

1. Has any person been appointed Fishery Officer for Isle Madame, or for Isle Madame and the western portion of the county of Richmond, Nova Scotia? If so, who accepted such appointment?

2. Was a qualifying examination set for applicants for such position? If so, how many wrote such examination?

3. Did any returned soldiers belonging to the county of Richmond write such examination? If so, what are their names?

4. Has any request been made by returned soldiers for another examination?

5. What are the names of the returned soldiers, if any, who made such request, and on what ground was it refused?

6. Why has not a resident of Richmond county been given the appointment?

Hon. Mr. SIFTON:

1. Yes, Albert E. Thurgood, a returned soldier, previous appointees declined the position, Mr. Thurgood has not yet advised the commission of his acceptance.

2. Yes. One hundred and forty-eight.

3. Yes, R. T. Sampson.

4. Yes.

5. T. A. Boyle, Jas. A. Goulett, Harry T. Boudreau, A. G. Langlois, C. G. MacNeil, sec.-treas. of the G.W.V.A., Dominion Command, and others. The first examination furnished enough returned soldiers eligible to fill all vacancies.

6. Only returned soldiers were appointed and the one returned soldier in Richmond county who tried the advertised examination was R. T. Sampson who was appointed to the eastern portion of Richmond county.

#### PARLIAMENT POST OFFICE.

Mr. TOBIN:

During what hours of the day is the Parliament Post Office supposed to be kept open for the convenience of members during the sessions of Parliament (a) on days during which the House is in session; (b) on days other than holidays when the House does not sit or when the House is adjourned at or before 6 p.m.; (c) on Sundays and holidays?

Rt. Hon. Sir ROBERT BORDEN: Days the House is in session: (a) from 6.30 a.m. to adjournment of the House; (b) on Saturdays from 6.30 a.m. to 10.00 p.m., other days from 6.30 a.m. to 11.00 p.m.; (c) on Sundays from 9.00 a.m. to 2.00 p.m.; 4.00 p.m. to 6.00 p.m.; 8.00 p.m. to 9.00 p.m.; on holidays from 6.30 a.m. to 2.00 p,m., and from 6.00 p.m. to 9.00 p.m.

#### CANADA WHEAT BOARD.

Mr. STEVENS:

Having reference to the following despatch published in the Montreal Gazette:

"Ottawa, June 3.—The Government, in answer to the telegram from the Canadian Council of Agriculture, urging that necessary steps be taken to have the powers of the Canadian Wheat Board continued at least for another year, sent a reply promising earnest consideration of the request."

1. (a) Is it the intention of the Government to deal with the proposal of the Canadian Council of Agriculture by legislation this session, or (b) has the Government power under any existing statute to deal with it by Order in Council, and (c) if so, will such powers be utilized?

2. Is the Government aware that control of marketing of wheat has been abandoned by the United States Government?

3. Under the powers given the Canada Wheat Board is it the duty of said Board to secure for the seller the highest possible price for wheat in the world market?

4. Has the marketing of the Canadian wheat crop by the Canada Wheat Board resulted in the farmers receiving the highest market price for their wheat?

5. Has the marketing of the Canadian wheat crop by the Canada Wheat Board resulted in lowering the cost of flour to Canadian consumers?

Sir GEORGE FOSTER:

1. The matter is now being considered by the Government. Legislation will be necessary if the crop for the succeeding year is to be controlled, as was the crop for the past year.

2. Yes.

3. It is the duty of the Canadian Wheat Board to secure the best possible market prices for wheat according to prevailing rates in the world market.

4. Yes.

5. This is largely a matter of opinion. In order to come to a reasoned judgment, one would have to know what would have been the cost of flour to the consumers if the crop had not been controlled, and what would have been the price paid by the millers for wheat if prices had not been controlled. It is impossible to give an answer to that.

## UNOPPOSED MOTION FOR PAPERS.

Mr. SINCLAIR (Antigonish and Guysborough):

For a copy of all correspondence, telegrams, petitions and other papers and documents in the possession of the Naval Department and of the Board of Civil Service Commissioners relating to the appointment of a fishery overseer in the municipality of Guysborough, N.S.

## ST. LAWRENCE NAVIGATION.—ILE d'ORLEANS.

On the Orders of the Day:

Mr. H. E. LAVIGUEUR (Quebec county): I should like to draw the attention of the Government, and particularly of the Minister of Marine and Fisheries (Mr. Ballantyne), to the dangerous state of affairs which exists on the Island of Orleans near Quebec. In the fall of 1918, great damage was caused to the wharves at St. Jean, St. Laurent, Ste. Famille, and St. François, on the Ile d'Orleans. A sum of $200,000 was voted for repairs on those wharves. It was reported to me some days ago—

Mr. SPEAKER: Order. The hon. member is in effect making an argument. Would he summarize any question he wishes to put.

Mr. LAVIGUEUR: I will do so. It was reported to me that the lighthouses had suffered great damage on account of the wharves not having been repaired; that those lighthouses are liable to be destroyed by the high tide at any time, which would constitute a great danger to navigation on the St. Lawrence. I, therefore, warn the Government of the serious state of affairs which exists in regard to navigation on the St. Lawrence.

## MEN RELEASED ON HABEAS CORPUS RE-ARRESTED.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX (Maisonneuve and Gaspé): Is the Minister of Justice now in a position to give me the information in regard to the case to which I referred yesterday?

Rt. Hon. C. J. DOHERTY (Minister of Justice): I think I may give the information now. The fact is that the Attorney General of the province, acting in co-operation with the officers of the penitentiary and an officer representing the Department of Justice, did arrest the two men referred to, and they have been returned to the penitentiary. As I said yesterday, we are advised that a judge sitting on a writ of habeas corpus has not jurisdiction to override the judgment and conviction of the Court of King's Bench upon an indictable offence which ordered these men to be confined to the penitentiary for a long period of years. I am not aware whether it was suggested that there was any irregularity in the way the men were conveyed to the penitentiary at the outset. But even if there were, the sentence against these men stands just as though the intervening incidents had not taken place; there is the judgment of the competent court imposing that sentence upon these men, which sentence has never been satisfied. As I have said, we are advised that there is not jurisdiction in a judge upon a writ of habeas corpus to override a conviction by the

Court of King's Bench and nullify a sentence imposed by that court. That would involve an appellate jurisdiction in one judge over the formal judgment of the Court of King's Bench, the highest court in our province dealing with criminal matters. Both the provincial authorities charged with the enforcement of law and ourselves are fully prepared to take the responsibility for what has been done to vindicate the authority of law, and to justify it before any tribunal.

Mr. LEMIEUX: Mr. Speaker, if you please, I do not question the facts as related by the Minister of Justice; he knows them better than I do. But does it not strike him that if an error has been made by the judge who granted the writ of habeas corpus, an appeal lies from that judgment?

Mr. SPEAKER: Order.

Mr. DOHERTY: An appeal does not lie; that is the point.

Mr SPEAKER: The hon. member (Mr. Lemieux) has put his question and received an answer; that is as far as he may proceed on the Orders of the Day.

Mr. BUREAU: Do I understand the minister to say that the Department of Justice have expressed an opinion confirmatory of the action taken by the Attorney General of the province of Quebec?

Mr. DOHERTY: Yes. The action was taken by the Attorney General of the province of Quebec in co-operation with our officers. It was necessary that our officers should intervene so that the men should be identified as those who were in the penitentiary. Moreover, the view entertained by the provincial authorities is the view entertained by our law officers. Of course it belongs to the provincial authorities to enforce the judgment of the court, but we were quite prepared to take the responsibility of co-operating with them in returning these men to the penitentiary.

Mr. BUREAU: You must have taken it as a war-time measure.

Mr. DOHERTY: We took it as a peace-time measure, for the vindication of the judgment of the courts in the proper administration of law.

Mr. ARCHAMBAULT: Does not my hon. friend believe that this is purely a question of law and that redress could be obtained—

Mr. SPEAKER: Order.

[Mr. Doherty.]

## REPORT OF STATISTICAL DEPARTMENT.

On the Orders of the Day:

Mr. FRANK CAHILL (Pontiac): In view of the fact that the Statistical Department are not ready to submit their report for 1919-20, may I ask the Government whether members of this House are permitted to go to that department and obtain information?

Sir GEORGE FOSTER (Minister of Trade and Commerce): My hon. friend is perfectly at liberty to do that. I will issue a formal invitation to him, if he requires it, to go and bother the Dominion Statistician for any statistics he wants. I think he will find them there.

Mr. CAHILL: I was refused certain information there; that is why I wanted to get a statement from the minister on the point.

Sir GEORGE FOSTER: Of course, it depends somewhat on the information that my hon. friend requires. The Statistical Department gathers its information under oath of secrecy in respect of a great many things, and there are certain matters which it cannot disclose. But my hon. friend may obtain the general run of statistical information there.

## INCOME WAR TAX ACT, 1917, AMENDMENT.

On motion of Sir Henry Drayton (Minister of Finance), the House resumed from June 8, consideration in committee of Bill No. 158, to amend the Income War Tax Act, 1917, Mr. Boivin in the Chair.

The CHAIRMAN: When this Bill was last before the committee the first nine clauses had been read and considered, and section 10 had also been read and was under consideration.

Mr. ARCHAMBAULT: Do I understand that section 2 has been carried?

The CHAIRMAN: Sections 4 and 5 stand. The other sections, from 1 to 9 inclusive, have been carried.

Mr. ARCHAMBAULT: I was under the impression that section 2 had been allowed to stand. Will the minister allow me to refer to section 2?

The CHAIRMAN: Mr. Archambault moves that the committee do now revert to the consideration of section 2 of the Bill.

Motion agreed to.

On section 2—determination of deficits and losses.

Mr. ARCHAMBAULT: I believe that the minister wishes to treat the committee with fairness and that he is even prepared to accept suggestions made by the Opposition. I am sorry that the minister was not in his seat when I made a few remarks on the Budget. On that occasion I suggested that the exemption in respect of each child be increased from $200 to $500. Everyone who is blessed with children knows that it costs much more than $200 for the upkeep of a child in these days. I have made an offhand estimate of what it costs for the yearly upkeep of a child of ten or twelve years of age, and the figure which I have arrived at is $563.30. Everyone knows that one of the causes of race suicide and voluntary sterility is the high cost of the upkeep of children. If a married man has an income of $4,000 and no children he pays income tax on $2,000, the assumption being that the $2,000 upon which he is taxed is that part of his income which is not absolutely necessary for the ordinary needs of life. On the other hand, if he has children he needs that $2,000 for the upkeep of his children, so that, as a matter of fact, he pays tax on income that is necessary for the upkeep of his family. I am sure that the minister realizes the unfairness of limiting the amount of exemption of each child to $200. I therefore move that the following clause be inserted immediately after clause 1 as clause 2 of the Bill:

Paragraph (b) of subsection 2 of section one of the said Act as enacted by chapter fifty-five of the statutes of 1919, is hereby amended by replacing the words "two hundred" in the first line of said paragraph by the words "five hundred."

Sir HENRY DRAYTON: There are some difficulties in meeting the suggestion of my hon. friend. One of the chief objections raised by many people to the basis of income taxation as carried on in Canada is that the right to tax is not made sufficiently general and that existing exemptions are higher than they ought to be. It is held that the burden should be spread to a somewhat further degree so that every citizen would feel to a larger extent that he was contributing to the expense of the country and was interested in proper and economic government. The exemption for children is a provision which applies in different countries. It applies in Great Britain, where the exemption for the first child is, if I remember rightly, $200, with a smaller exemption for each subsequent child. So that Great Britain's basis of exemption on the score of children is the same as ours for the first child, being less than ours for subsequent children. It must also be borne in mind that the exemption limit on incomes in Great Britain is lower than it is in Canada. In the United States the exemption is exactly the same as our own, and the initial exemption granted for all incomes is also higher than that of Great Britain. I would point out to my hon. friend that if we were to increase the exemption for children in the manner contemplated it would mean that a man with three children would be exempt from all taxation until his income was in excess of $3,500 a year, and the man with six children would be exempt until his income exceeded $5,000.

Mr. ARCHAMBAULT: He deserves it.

Sir HENRY DRAYTON: Probably he deserves it, but, on the other hand, I think he is likely to be much happier than the man who has no children. The married man who has ten children would have to have an income of $7,000 before he could be called upon to pay five cents to the treasury.

Mr. ARCHAMBAULT: Hear, hear, for him.

Sir HENRY DRAYTON: That is a class of exemption of such a character that it would make grave inroads upon the public revenue. It would so tremendously increase our present scale of exemptions that I must ask the committee to reject the proposal.

Mr. ARCHAMBAULT: I suppose my hon. friend will admit that $200 is not sufficient for the upkeep of a boy of ten or twelve or fourteen years of age.

Mr. EDWARDS: What were the figures my hon. friend gave?

Mr. ARCHAMBAULT: I could give the details; the total is $563.30. Does my hon. friend want the details?

Mr. EDWARDS: I have had sufficient experience to be conversant with the details.

An hon. MEMBER: That is why you were smiling a moment ago.

Mr. EDWARDS: I was smiling because I wondered why my hon. friend (Mr. Archambault) omitted the $63.30 in stating the amount. He would have been more logical if he had asked for exemption to the amount of $563.30.

Mr. ARCHAMBAULT: The precise amount is $563.30, but in order to make the task of collection easier I suggested the round sum of $500. Every member except my hon. friend understood that.

Mr. LAVIGUEUR: I heartily support the motion of the hon. member for Chambly-Vercheres. I think I have sufficient warranty for speaking on this subject, for I am the father of twenty-eight children. It will be conceded, therefore, that I know what I am talking about. I heard the minister state that the father of three children would have to have an income of $3,500 before he would pay the tax; that the father of six children would have to have an income of $6,000—I may be wrong, but that is what I understood him to say—and that the father of ten children must be in receipt of $7,500 before being taxable. I submit to the minister that a man with an income of $7,500 cannot reasonably support and educate ten children if he is subject to income taxation. It is as much as he can do to bring up such a family, as it ought to be brought up, on that income; and I would supplement the motion of the hon. member (Mr. Archambault) and suggest to the minister that the father of ten or twelve or eighteen children should be entirely free from taxation.

Mr. ARCHAMBAULT: He should receive a bonus.

Mr. STEIN: As seconder of the motion I suggest that if the minister is not disposed to accept it in its entirety he should at least make some concession and raise the amount of exemption from $200 to $300. The minister has spoken of similar exemptions that exist in Great Britain and in the United States. I believe, from what I have read in the press recently, that the exemptions in France are much higher than they are here or in the United States and Great Britain. My hon. friend (Mr. Archambault) suggests a bonus, and I think that bonuses are given in France to the fathers of large families. I have here a copy of The Montreal Gazette of March 9, 1920, on the new inheritance tax in France. In that paper the following appears:

> Paris, March 8.—France's new inheritance tax will be a novelty. It will be based upon the principle that the more children man has the less estate should be taxed, and vice versa, the fewer children he has, the more tax should be levied. If a man dies without children, the state will take fifty per cent of his estate. If there is one child, the state will take 33 per cent. If there are two children to be provided for, the tax will be 25 per cent. Should there be three children the tax will be 18¾ per cent. In the case of four or more children there will be no inheritance tax. Fiscal experts estimate this new tax will bring in 3,000,000 francs annually.
>
> The French Government statistics show that half the French army in the world war came from families having four or more children. The same statistics show that one family in five has as many as four children. Further, more families whose estates are the largest are not those who have four or more children as a rule.

I think the minister should raise the amount to $300; this would be acceptable to hon. members on this side.

Mr. LEMIEUX: Mr. Chairman, I am in sympathy with the amendment drawn up by my hon. friend from Chambly and Vercheres (Mr. Archambault). I am surprised that this Government, or any Government, should refuse to encourage large families, and this is a proper means of encouraging large families. We are advertising our country abroad to get immigrants, but after all there is nothing like the Canadian-born. He is preferable to the American, Australian, or even British. The asset we most require in this country is the Canadian-born. The principle embodied in the amendment has existed for all time in the history of nations. I would not care to delve into ancient history, but I might recall to my classical friend, the right hon. the Minister of Trade and Commerce (Sir George Foster), that in the laws of old Rome, Augustus, the Emperor, enacted legislation by which the fathers of twelve children were exempted from all taxation and were given lands out of the public domain. This legislation existed all through the Middle Ages in Europe. It was enacted by Louis XIV in France. Coming to more modern times in America—indeed in Canada—the Government of the late Honoré Mercier in the province of Quebec enacted similar legislation. Grants were made in our province to the fathers of twelve living children. They were made out of the Crown lands and they consisted of 100 acres, if I remember well, to each father of twelve children.

In France, unfortunately, the birth rate has been decreasing for many years. Indeed, one of the regrets of French patriots at the beginning of the war, and before the war, was to notice that each year at least one great city was lost by the falling off of the birth rate in France. What made the apparent superiority of the German nation? In 1870 Germany had the same population, or about the same population, as France; forty years later Germany had nearly doubled its population. In view of

this appalling result, the patriots of France, laymen, priests, free thinkers and practising Catholics, have joined hands of late in order to promote a higher birth rate in the old Mother country. Premiums have been given by wealthy Frenchmen, and by patriots through some of the academies of France to fathers of large families, and the French Government at last has awakened and through its legislation has quite substantially encouraged a higher birth rate by exempting from taxation the fathers of large families.

This is a very important topic. It may not so appear when you consider the amount involved in each individual case, but it is a most vital problem for Canada. We have a large country—a beautiful country. The resources of the country have been hardly scratched. We have the potential wealth within the grasp of our hands, but we have not the population. Should we not by all means promote the growth of a healthy and strong population?

We are advertising Canada throughout Europe. I see in the papers every day that American immigrants are beginning afresh their peaceful invasion of the Northwest provinces. Well and good; I am delighted to hear it. The American immigrant is an excellent immigrant. He understands the conditions in Western Canada perhaps better than any other immigrant in the world, but, after all, the best, the most desirable of all citizens is the Canadian-born. Let us through our legislation encourage the increased birth rate of the Canadian.

I said something the other day to the House which I would like my hon. friends to bear in mind just as an illustration of what a steady increase in the birth rate must mean for Canada. Perhaps it is a little selfish on my part, being a Canadian of French descent, to make boast of the fact, but I do make boast of it because the homage is due to the patriotism of our mothers and grandmothers and to the wisdom of our legislators and clergy. I said, and I repeat to-day, that at the time of the Conquest, or if you prefer, at the time of the cession of French Canada to Great Britain, there were in Canada at most 80,000 people of French blood. In 1840, according to statistics, there were barely 1,000,000 French Canadians in Canada. To-day there are in Canada 2,500,000 French Canadians at least, and I do not take into account the French Canadians across the boundary. I am told on the best authority that there are no less than 2,000,000 French Canadians in the United States. If it is true, Sir, that a population will double every thirty years, I invite your attention, Mr. Chairman, to this fact that if our people are God-fearing, as they are and as they have always been, if they follow the precepts of the Lord, if marriage is encouraged and divorce discouraged, in thirty years from now, speaking from a French Canadian point of view, and it is not a narrow or sectional point of view, you will have 5,000,000 Canadians of French descent in Canada. In sixty years that number will again be doubled, and what is a period of sixty years in the history of a people? This statement is based on the best authority. Leroy-Beaulieu, who is known as the highest authority on political economy in Europe, once said that the birth rate of French Canada was simply astounding, and he attributed it to the simple life, to the religious life of my fellow countrymen. I do not speak in disparagement of the other races, I know, as a matter of fact, that in the old families in England the children are numerous. I know, too, that in Ireland and in Scotland children are many. I regret to say, and I base my opinion on what a former president of the United States, the late Theodore Roosevelt said, that in the American Commonwealth they have followed another course, and to-day we have the result of race suicide. By promoting divorce before the courts, by living a wild life in the cities, by distracting and luring the farming population from rural life to the cities, they have abolished the old time-honoured family life, which was the pride of the Pilgrim Fathers. This is a very serious problem, Mr. Chairman, and it has a bearing on this taxation measure. I say to my hon. friend the Minister of Finance that he will be a good Minister of Finance if first he practises economy, and if second, by the distribution of the taxation in this country, he takes the proper view of this national problem, namely the growth of the Canadian born. By his taxation measure he could indirectly—indeed he could directly—promote the increase of our population. I have said enough, Mr. Chairman. I am in earnest, and I say to the Minister of Finance that he will get a halo from this Parliament if he promotes the growth of Canadian-born population in Canada

Mr. EDWARDS: I want to enter my protest against any change in the law as it is now, or against the acceptance of the amendment as proposed by the hon. member for Chambly-Verchères (Mr. Archambault). If we were to accept in all serious-

ness, as of course we should, the arguments and the statements advanced by the hon. gentleman who has just taken his seat we might sum up those arguments in one sentence—it is the advancing of a plea—perhaps an indirect plea but nevertheless a plea—to exempt from taxation the French Canadians in this country.

An hon. MEMBER: Oh, no.

Mr. EDWARDS: That is practically what it amounts to.

An hon. MEMBER: Not at all.

Mr. EDWARDS: Now there have been many means devised at different times to avoid the payment of taxes. For hon. gentlemen to get up and to deliberately and coolly suggest this way as a means of getting out of paying taxation is to say the least of it somewhat unique.

An hon. MEMBER: It is a good way.

Mr. EDWARDS: That is about what it amounts to.

Mr. MICHAUD: Try it.

Mr. EDWARDS: I will leave it to my hon. friends opposite who boast of their abilities along that line. Now in all seriousness, Mr. Chairman, it seems to me we should regard this matter of taxation at least from this standpoint: that the people of this country must realize that we have incurred a large debt as a result of the war and the lesson conveyed by this taxation is that every person should, as far as possible, get his shoulder under that debt and help to lift it. There is something which I think we should not now entirely overlook in the practical application of the tax. Take in the province of Quebec which is largely a rural province—that is the most of the population are engaged in farming. I venture to say that very few of the farming population in that province will be affected by the tax as it stands to-day. They are exempted up to $2,000, and if they have five children that means a further exemption of $1,000. If hon. gentlemen opposite will tell me that the farmers in the province of Quebec are enjoying incomes in excess of two or three thousand dollars I will be very glad to hear it. I can assure them that is not the case so far as the farmers of Ontario are concerned, and it is certainly not so as regards my constituency, very few of them are affected by this taxation. I think the exemption on $2,000 is suitable recognition. I think it goes far enough, and that we would be making a mistake if we accepted the amendment of the hon. gentleman which I have no doubt is presented in all good faith.



Mr. BURNHAM: I should like to say that the reason I wish to support the Minister of Finance is, that I am against the proposition which is being urged here to-day since it is not the principle which has been adopted in taxation in Canada. It would be all very well if this principle had been discussed in a resolution earlier in the session, but it cannot be used, I should think, by the Minister of Finance as a basis of taxation at the present time. We must be logical. While it is true that people should not be penalized for having children, according to our present idea, nevertheless that is not the basis of taxation, and the Minister of Finance, I should think, has no discretion in the matter. While I am on my feet let me say that a moment's thought will show that if the mere multiplication of progeny had been the Creator's idea He would have arranged, as He does with the lower animals, that parents should have a dozen children a year.

Some hon. MEMBERS: Oh, oh.

Mr. BURNHAM: This idea of making a sort of market for produce for humanity is to me revolting. Statisticians like the French gentleman referred to by my hon. friend from Maisonneuve (Mr. Lemieux) all agree that no man can properly bring up more than a certain number of children.

Mr. MICHAUD: How many?

An hon. MEMBER: Eighteen.

Mr. BURNHAM: It is said that some gentlemen like my hon. friend would be embarrassed with even one.

The CHAIRMAN: Is the committee ready for the question?

Mr. MICHAEL CLARK (Red Deer): I do not know that this is a discussion upon which we should waste very much time at this period of the session, and I feel very much hesitancy in even saying half a dozen words because I think the minister said all that was to be said on the question. There was very much force in his argument that the man who has the children is the blessed man. I think that as my hon. friend from West Calgary (Mr. Tweedie) is not present I may perhaps be permitted to quote Scripture to the extent of saying that "Blessed is the man who has his quiver full." The proposition contained in the amendment is also scriptural if it be right that,

"Unto him that hath shall be given"; but it would be a very free interpretation of that passage to say, that we shall remit the taxation of men who have large families and the blessedness that comes from large families. I quite agree with the minister that a childless home is a frightful thing to contemplate. But I do not know that my hon. friend from Maisonneuve (Mr. Lemieux)—to whom one always listens with great interest—helped his argument by some of the statements he made with regard to what the Romans did. I am not disposed to draw many of my ideals in this twentieth century from mediaeval or primitive times. The Romans had their day, and they went. They wanted large families for the purposes of militarism; and we have had enough of militarism not only in primitive and mediaeval times, but in times far more recent.

I was not very much impressed by my hon. friend's statement as to the possible growth of the French Canadian population in this country. It is a matter of comparative indifference to me what section of our population increases so long as we have laws which are equal and just between all our inhabitants, and which will make good citizens of them whatever may be their racial origin. But my hon. friend went on to say that there are 2,000,000 French Canadians in the United States. Now, in making his estimate of what the French Canadian population will be in the years immediately in front of us, he would also have to be able to predict how many of them will go to the United States. If the movement of the immediate future has any resemblance to that of the immediate past, then the effect of this amendment would be to exempt people from taxation to build up the population of the United States, and that would be a very serious proposition for me to give my assent to.

As a matter of fact I think the whole question can be summed up in this way: That the amendment fails to distinguish between a man's parental duties and his duties to the State. A man's parental duties are primary duties which he ought to be proud and pleased to discharge, and the more he discharges them the better off he is in the possession of his children. But a man's duties to the State are entirely different, and to say that he ought to be helped in his parental duties by being exempted from his State duties is a proposition to which I could not honestly give my assent. Our parental duties are, I think, providentially imposed, and it is a primary duty to see that our sons become good men and our daughters good women as far as it is in our parental power to bring that about. But our State duties are equally incumbent on us, and I certainly think the present exemption is sufficient.

Amendment (Mr. Archambault) negatived on division.

Section agreed to.

On section 10—One-quarter tax to be forwarded with return; balance may be paid by instalments with interest, etc.

Sir HENRY DRAYTON: I desire to move an amendment to clause 10 in respect to the question which was brought up by the hon. member for Joliette (Mr. Denis). In the proposals that we are making we want the payment of this tax to be left in such a position that no tax-payer will run the slightest risk of loss by making an immediate return, but he will know absolutely that if he has paid too much he will get it back at once. Under the present law there is a provision for refunds provided in subsection 4 of section 10 in these words:

> That the minister may refund any tax or penalty wrongfully or illegally assessed and collected, but no refund shall be allowed because of any alleged error in the assessment, unless application therefor is made within twelve months of the date of payment or penalty.

I do not propose to interfere with that subsection, which is quite enough to look after the situation generally; but in connection with the new provisions the position I think ought to be, that no one need make application for a refund, but rather that it is the duty of the department to properly check the assessment and the remittance, and if there has been an over-payment to remit the money without delay, instead of waiting until the individual—who probably would never find out that he has made an overpayment—sends in a claim for a refund. Therefore I propose to move the following amendment as a new paragraph, making it subsection 12:

> The returns received by the minister shall be with all due despatch checked and examined and in all cases where such examination discloses that an overpayment has been made by a taxpayer the minister shall make a refund of the amount so overpaid by such taxpayer except in cases where any instalment or instalments are either due or falling due by such taxpayer when the amount of the over-payment shall be applied on such instalment or instalments and notice of said action given such taxpayer accompanied by the payment of the balance if any of the amount overpaid.

Amendment agreed to.

Mr. ROBB: In view of the possibility that a person making out his income tax return might very innocently commit a mistake and come within the penalty clauses, which are rather drastic, I would like to know if the minister will make some provision whereby mistakes made in good faith may be generously dealt with by officials of the department.

Sir HENRY DRAYTON: The clause really does not deal with the matter in the way that the hon. member thinks it does, although I quite understand his receiving that impression at the first glance. The taxpayer does two things; first, he shows what his income is. The amount of his income is something which the taxpayer ought to know; it is something that the department does not know. The next thing the taxpayer is invited and has to do is to send in the amount of the assessment which he thinks ought to be made upon that income. As regards the making of the assessment, I entirely agree with the hon. gentleman that this is open to error, and no penalty is provided for that. The penalty is not one which has to do with the amount of the assessment a man makes, because that may be full of errors; it has to do with the statement he makes as to his income which he himself alone knows about. Even as regards his income, if he makes a mistake of only 10 per cent, there is absolutely no penalty. Therefore, he is not asked to pay anything for any mistake which could in any way arise from the construction of these statutes or from the imposition of conflicting or cumulative taxes. If a man is honest in stating the amount of his income, there is no penalty. If he is dishonest and makes an improper return on a subject which he alone knows all about, he then becomes liable to a penalty.

Mr. ROBB: The understanding is that if the person making out a return puts in correctly, or nearly so, his total income, he is not penalized for any deduction which he may make, and to which he imagines he is entitled.

Sir HENRY DRAYTON: Not at all.

Mr. NICHOLSON (Algoma East): Having that statement of the minister in mind, I should like to know how that harmonizes with the first paragraph of clause 14.

Sir HENRY DRAYTON: I will deal with clause 14 when we come to it. Clause 10 is intended to cover only the income.

Mr. ANDERSON: Did I understand the minister to say that a man might make an error of ten per cent in his income without being liable to any penalty?



Sir HENRY DRAYTON: Clause 10 at line 31 reads:

> If the amount of the income omitted from his return exceeds ten per centum of the correct income.

That is the first time when you have any penalty in the nature of a fine imposed. The penalty there is one-half of the amount of the deficiency.

Mr. LOGGIE: If the amount is less than ten per cent, he has to pay 10 per cent interest per annum?

Sir HENRY DRAYTON: Yes.

Mr. LOGGIE: There is some penalty?

Sir HENRY DRAYTON: I do not look on that as a penalty.

Section agreed to.

On section 11—demand for additional information.

Mr. DENIS: I do not think this Bill provides for the examination of a person who owes the tax. I do not know whether it would not be wise to insert such provision in the Bill, as such provisions exist in many statutes. For instance, the law in Quebec provides that where a person has in law a right to go into another person's business in order to find out if this person can or cannot pay a certain debt, the law entitles the creditor to call and examine his debtor. While I am not ready to say that a provision of this kind should be inserted in this Bill, it has been recognized through experience that the most proper, direct and satisfactory manner of knowing a man's business, is to examine him under oath.

Sir HENRY DRAYTON: The officers of the department are of the view that, up to the present time at any rate, they have not met any difficulty which will require that to be done. As much as possible, the endeavour is to collect the tax in an administrative way, with as little recourse as possible to law and consequent legal expenses, and with as little harassment of the taxpayer as possible. In connection with arriving at the amount of a tax, as long as it is quite clear that the department can get all the information they desire to get—and the hon. member will see that that provision is added this year—and if in addition to that they can check the different sources of information, they can generally do just as well as if they examined the man.

Section agreed to.

On section 14—penalties for short payments or not making payments:

Sir HENRY DRAYTON: When we were considering clause 10 I had it in mind that it would be desirable to consider this clause in connection with it, because I did not want to have a penalty for a mistake in the assessment itself visited upon the taxpayer. But I find that this point has already been covered,—not in the first draft, but in the amendments made before the printing of the Bill. It is provided that if the taxpayer does not pay the amount, or one-quarter of it, estimated by him as the amount that he ought to pay, he is subject to penalty. Then, under section 14 he is again subject to penalty if he does not pay his taxes as provided by the new section, but he is not liable to penalty simply because the amount that he returns is subsequently found to be incorrect. The question of penalties, therefore, turns entirely upon the subject matter that the ratepayer himself knows all about,—the amount of his income and the amount that he himself says he should pay.

Mr. ROBB: As I read the section, the taxpayer is penalized if he fails to make any payment at the time of his return. Suppose his understanding is that he owes nothing and that, accordingly, he makes no payment?

Sir HENRY DRAYTON: If his estimate shows no liability to tax, then there is no liability to penalty.

Mr. ROBB: He is liable to penalty "should he fail to make any payment at the time of filing his return."

Sir HENRY DRAYTON: That means, of course, if there is any payment to make.

Mr. ROBB: It does not say so.

Sir HENRY DRAYTON: If the hon. member thinks there is any doubt about that, there is no reason why it should not be amended. But there must be something to pay; if the taxpayer assesses nothing he is not liable to penalty under this section for non-payment.

Mr. FIELDING: In this section the words "the tax as estimated by him" are used, but there is no such expression in section 10.

Sir HENRY DRAYTON: The whole of the work done under section 10 is done by the taxpayer. He makes the assessment, and when we come to the penalty we put in the words "as estimated by him" in order to make it absolutely clear that so long as he pays his instalments as estimated by him he is subject to no penalty.

Mr. CHAPLIN: Is any provision made to cover the case of a man who is out of the country and cannot take care of any of these notices within the required time?

Sir HENRY DRAYTON: We do not extend the time in individual cases. It is the business of taxpayers who are away for any considerable length of time to have some one look after their returns. But the time is sometimes generally extended; we did this year extend it for a period of one month. There is a provision that the minister may at any time enlarge the time for making an individual return, but we try to get along without any individual extensions of time.

Mr. BUREAU: Subsection (2) of section 10 provides that if the minister suspects that the taxpayer is about to leave Canada he may, "for that or any other reason," by registered letter to the taxpayer, demand payment of all taxes within ten days. If the minister were looking after these things personally I would not have any fear concerning them; but matters of this kind are left to his officers in the various localities. It may be well to take such action if a man is leaving the country, but it seems to me that the use of the words "for that or any other reason" makes the provision a rather drastic one.

Sir HENRY DRAYTON: It is drastic, but not as drastic as the similar provision in England, where the length of time within which payment must be made in such circumstances is five days, I believe. It is essential that the public revenues should be protected. So far as administration is concerned, this action cannot be taken by an ordinary officer. The matter would be the subject of report to the head office, and action could be taken only by the minister or by the Commissioner of Taxation.

Mr. BUREAU: On the report of the officer; it is the same thing.

Sir HENRY DRAYTON: Oh no; I assure the hon. member that the commissioner is not merely a rubber stamp. Moreover, to what country would a man go in order to avoid the tax? I do not think he would go to Great Britain, where he would find conditions worse. I do not think he would go to the United States where, as I am instructed, they have precisely the same provision.

Mr. JACOBS: Subsection (2) provides that:

Non-payment of the said tax within the specified time shall render the goods of the taxpayer liable to seizure by the sheriff of the city, county or district in which the goods of the taxpayer are situate.

Is it the desire of the minister, by this Bill 158, to amend Magna Charta, which says that no citizen can be dispossessed of his property without due process of law?

Sir HENRY DRAYTON: Does the hon. member not think that this statute is "due process of law"?

Mr. JACOBS: The seizure of a man's effects without giving him opportunity of placing his case before the court would be due process of law if that law were Lynch law as applied in remote portions of Mexico, or, perhaps, in distant parts of Texas.

Sir HENRY DRAYTON: I am afraid that I cannot follow the hon. member to Mexico.

Section agreed to.

On section 16—retroactive effect of sections of this Act.

Mr. FIELDING: I suppose the object is to enable the minister to recover the sums of past years; but I understand that he does not intend to apply the penalties for the delays.

Sir HENRY DRAYTON: That is correct. We have had some clauses which entirely interpreted what the law was. So far as the new clauses are concerned, those that we have been discussing recently as to the assessment being made by the individual himself, and the penalties provided for, these do not come into effect this year.

Mr. COCKSHUTT: I desire to ask the minister a question in regard to the returns called for in this section.

An hon. MEMBER: Which section?

Mr. COCKSHUTT: This refers to three or four of the sections that come into force at a certain date. There are many companies whose year terminates on December 31st. A company's year ended, say, on December 31, 1919; the dividends were earned in that year's business, but the annual meeting and the declaration of the dividend do not take place until the books are all audited and the accounts are in for that year. The result is that it is perhaps six or eight weeks after the end of the fiscal year before the dividend is declared. I had a slight argument with one of the collectors in that connection recently, and it appears to me that it is impossible to estimate the dividend before it is declared, even though it may have been earned. What is the ruling of the department on that point? Is it the intention that the dividend shall be charged to the year in which it is paid or the year in which it is earned?

Sir HENRY DRAYTON: The point is perfectly well taken. We have cleared up any doubt in the matter by section 3 of the present Bill, which reads:

Dividends declared.....shall be taxable income of the taxpayer in the year in which they are declared or voted.

Mr. FIELDING: Take the case which my hon. friend from Brantford has mentioned. The year may close on December 31st and the accounts are made up at a later stage, and as a matter of fact the dividends are only collected in the following year. Would they not be part of the income of the shareholder in that year?

Sir HENRY DRAYTON: The dividends are only declared when the accounts are made up and when the meeting is held.

Mr. FIELDING: The declaration of the dividend does not create an income; it is the payment of the dividend that makes the income. If my hon. friend is going to take the declaration and not the payment of the dividend I think he will encounter some embarrassment. The income is what the man receives, and the year in which he receives it should be the proper accounting period into which it should enter.

Sir HENRY DRAYTON: I confess I thought that the trouble really was that companies having earned their dividends were not in a position to bring their books down and declare those dividends within the accounting period. I think that the tax ought to be paid, as closely as possible, upon money when it is earned. The dividend is an accretion to the taxpayer during the year it is declared.

Mr. FIELDING: No.

Mr. COPP: It may be declared payable in so many months' time.

Mr. COCKSHUTT: There is no doubt that dividends are frequently declared months before they are paid. I am aware of a recent case in which it was four months after the declaration of the dividend before anything was actually received. It is the time between the declaration and the payment that may cause all the trouble.

Many companies do declare dividends far in advance of actual payment, and sometimes the dividends are not paid in cash but by stock. I know of a case where dividends were paid in fully paid-up stock, because there was not the actual cash.

Mr. FIELDING: The minister has dealt with that point.

Mr. COCKSHUTT: Stock might not be received until some time after the dividend is declared. I am sorry I was not here when clause 3 was adopted, but it seems to me that we should have a clear understanding as to whether a stock dividend, which is not money at all, is treated exactly as a cash dividend.

Mr. FIELDING: The minister dealt with the question of stock dividends yesterday, and the hon. gentleman's point has been covered. I am afraid, however, that the minister's view that a dividend earned is to be credited up to one's income when it is declared may be embarrassing. Suppose a man is engaged at a salary of $5,000 a year and through some mishap he does not receive that amount. He has earned it, but in the settling up of affairs it is found that something has gone wrong and he does not get that money. Would you tax that as his income? It is the same thing with dividends. A dividend is only an income when a man gets it. I would ask my hon. friend to give some consideration to that point because he may find it a difficult one.

Mr. BELAND: There is a further point. A shareholder may cease to be such between the time the dividend is declared by the board of directors and the date at which it is paid. A meeting might take place in December and the directors might declare a dividend payable on the first of February to all shareholders on record on the 15th of January. In the meantime, between the date of the meeting and the 15th of January the shareholder might, if he chose, dispose of his shares, and in that case I do not see that he should be taxable so far as those shares are concerned.

Mr. FIELDING: He would get the benefit of the disposal of the shares.

Sir HENRY DRAYTON: Yes.

Mr. BELAND: He might dispose of the money in such a way that it would bring him no immediate return. He might invest it in some enterprise which might not be profitable at all.



Sir HENRY DRAYTON: I would like to leave it entirely to the committee. It is a question whether the ratepayer should be relieved or not. What we have proposed is entirely in easement of the ratepayer. We have thought it fairer not to accumulate dividends. There are cases where dividends are paid that represent dividends for a series of years. A company has been in such a position that the money cannot be taken from it. The effect of this provision is to prevent a larger penalty being imposed on the shareholders. We have not sought to tax the shareholder on money that he has not actually received. Apart from this clause perhaps three or four years' income would be received in the one year.

Mr. FIELDING: Then it surely would come in the return for the next year if he actually received it?

Sir HENRY DRAYTON: No. Take the case of a company that are in the position of not being able to distribute earnings for three years. They had been making earnings each year, but they were not distributing them because they were required to keep the money in the business. Under this section, when the payment was made, the department would distribute those dividends over to the proper years when declared, although not paid because they could not afford to pay them. Apart from that section, when the money was received by the taxpayer, it would be part of his taxable income for that one year, and it would put him in the higher brackets as far as taxation is concerned. It may be that it is quite unfair that he should be put in the higher brackets because he has been at a loss in the other years. It would be unfair to place him in the higher brackets and the income should be considered as taxable in the year in which the dividend was declared though not paid.

Mr. FIELDING: I could understand that if you were dealing with the business profits tax there might be something to be said in support of the proposition, because you are dealing with the operations of a company for a given year. But surely on a question of dividends there is no room for debate that a man's income is that which he receives. If it is not collected, it remains to his credit and it may be paid to him next year. Suppose I were a shareholder in a company and I did not collect my dividend in a given year; I would get it next year, and if I were an honest man I would account for it next year. Surely income is that which a man receives, and if

he does not get it in a certain year, there is no income.

Sir HENRY DRAYTON: I have no feeling one way or the other. It means more money for the department to accept this suggestion and we want to get all the money we can.

If I can secure unanimous consent, I desire to move that the committee return to the consideration of clause 3, which has been agreed to.

Motion agreed to.

Sir HENRY DRAYTON: I beg to move to amend clause 3 by striking out the last three words of the said clause and substituting therefor the following words: "paid or distributed."

Mr. FIELDING: Will my hon. friend need this section at all? It seems to be specially designed to apply to income of the year that has passed. It appears to me that this clause is not necessary.

Sir HENRY DRAYTON: This is to make it clear.

Mr. COCKSHUTT: I think the suggestion of the minister would cover the point I desire to draw attention to. I have known dividends to be declared that were not paid and were not allowed to be paid by the bank. The financial position of the company was such that the bank thought it was not desirable to withdraw the money, and therefore the dividends were not paid. That is the reason why the minister has thought it right to clear up that point, and it appears to me that the words he has suggested cover the case. I think it is quite proper that they should be inserted.

Mr. PEDLOW: Would it not be well to use the words "in that accounting period" instead of "in that year" in the last line of subsection 5?

Sir HENRY DRAYTON: That would not do.

Mr. PEDLOW: In connection with the sessional indemnity the accounting period of members of the House who are in business falls, say, in the first or second month rather than at the end of the month of December. This accounting period would run through each day until the 31st January, thus overlapping two years. The rule of the department is that the sessional indemnity should be included in the return for the year in which the return is made, but the indemnity has not yet been received by the taxpayer. In that case it is a hardship, because a member might send in a return of his taxable income to the 31st January and it might include his prospective sessional indemnity which he might never receive.

Sir HENRY DRAYTON: I think that by far the greater number of cases are better served as we have it now. There are not many returns made in advance.

Mr. BELAND: I understand that the Canadian Pacific and the Government have come to an agreement as to a flat rate that is being paid by the company to the Government yearly, and that it accounts for all the taxes that should be paid by the shareholders of the company as income taxes. Does that agreement apply to other companies?

Sir HENRY DRAYTON: There is no agreement. The Canadian Pacific pays on the basis of the statute.

Mr. BELAND: I understand the company pay $6,000,000 a year to the Government, is that correct?

Sir HENRY DRAYTON: No.

Mr. PEDLOW: I am sorry the minister failed to comprehend the force of my argument. To put the case in another way, take the situation last year; a man in business whose accounting period ended January 31 made up a statement for that accounting period and he included in his return his prospective indemnity of $2,500. But during that year there were two indemnities. Would he be penalized under this new Act for the omission of the two indemnities?

Sir HENRY DRAYTON: No.

Mr. PEDLOW: He received $5,000 for the year, but he could only know of one indemnity; consequently he would only include one indemnity in the return; therefore he would be sending in an incorrect return.

Sir HENRY DRAYTON: If a member makes up his return in advance in connection with his indemnity that, of course, is something we cannot object to because we want to examine returns that come in as quickly as possible. But the Act does not require him to. All the Act requires to be done is a return to be made on the income during the past year. He is not to take into consideration anything that may accrue to him in the future during any portion of the year in which he is making his return. You do have a little difficulty, though, in partnerships and mercantile businesses where

the accounting periods differ, and there is an express provision of the Act dealing with that one particular thing:

> A member of a partnership or the proprietor of a business whose fiscal year is other than the calendar year shall make a return of his income from the business, for the fiscal year ending within the calendar year for which the return is being made, but his return of income derived from sources other than his business shall be made for the calendar year.

Mr. PEDLOW: This Bill leaves the matter in an indefinite shape. The person whose accounting period is not in line with the calendar year, is in the position if he has an indefinite income from another source, that he cannot include that in his return for the accounting period. I know that the department has rules—it has ruled in my own case—that the amount of the prospective indemnity must be included in the return for the year. Now it is impossible for men in the retail business to balance up their books for the year by December 31, and so come in complete alignment with the calendar year. Consequently they balance up their affairs on January 31 or February 31, as the case may be. Nevertheless they are required by the department to do as I have stated. From my own personal experience that has been insisted on.

Mr. SHEARD: Will the hon. gentleman allow me to ask him a question. He spoke of February 31; I would like to know to what year he refers?

Mr. PEDLOW: I meant to say January 31, or the last day of February.

Mr. SHEARD: That is putting it correctly.

Mr. PEDLOW: I thank the hon. member for correction, but my argument is not influenced by it to any great extent, the point is quite clear. I think there should be a definite ruling on the point even though the case may be an exceptional one. When a member of Parliament is required to include all his prospective income in his return there may be a thousand and one reasons which will militate against his receiving that income. For instance death might occur or Parliament might be dissolved. We know for example that in 1919 there were two sessions in the year. A member might include only his indemnity for the one session and then would be subject to a penalty, under the statute, for sending in a false return.

Sir HENRY DRAYTON: Of course generally all these taxation matters are expressed with more or less difficulty, and I admit that the subject is intricate to a greater or less extent. I think, however, that it is quite clear, from the section I have just read, what the real situation is. At any rate it has worked out very well in other countries where it has been in force for a good many years. Now let us be quite clear as to how matters stand. In the first instance, what is called for, ordinarily, is a return of income received during the year that is past.

Mr. PEDLOW: The accounting period.

Sir HENRY DRAYTON: Not the accounting period. Let us forget that for a moment. Under ordinary circumstances the return calls for the income received during the year that has passed, the preceding year. Now then as to where you have a broken accounting period. Take for example the case of a business whose accounting period ends on January 31, as the hon. gentleman pointed out. In the case of such a business it would be the duty of the manager of that business, in making his return, to include in it the actual receipts or the actual income of that business down to the 31st of January. Take for example this year: the ordinary taxpayer gives the whole of his income up to the end of 1919 in his return, and he makes that return in 1920. The manager of the business of the class I am referring to, instead of making a return for 1919 only, would base his return on the accounting period which ended the 31st January, 1920. I beg pardon, the Commissioner of Taxation tells me that I am wrong, too. I think that should be the case, myself, but I am told that the department, instead of doing that, go further in ease of the hon. gentleman than I would. All that you need do, according to what the commissioner says, is to make a return as of the 31st January, 1919. I think it should be the 31st January 1920, but apparently that is not the fact. Instead of having to make a return in advance, instead of running the danger of being fined,—as the hon. gentleman is pointing out—for an error in connection with something that may happen in the future, you are apparently allowed to go back as far as the 31st January of the year previous. The section apparently is quite clear, and the commissioner is right, for it says:

> —whose fiscal year is other than the calendar year shall make a return of his income from the business for the fiscal period ending within the calendar year for which the return is being made.

Now that ends in 1919.

Mr. PEDLOW: And what about anything outside of that?

Sir HENRY DRAYTON: As to anything outside of the business he is in exactly the same position as any other taxpayer, he would have to pay on exactly what he received during the year.

Mr. PEDLOW: I still submit that it is confusing in connection with the accounting of any business to require any person in business to make two returns—one return for his business accounting period ending January 31 each year, and another return for income received outside that business. Take a specific illustration, my own case. My accounting period ends January 31 each year. I was compelled to send in a return for 1919, and I was also compelled to send in another return and include in the accounting period which ended January 31, 1919, my income of which the sessional indemnity formed part. The department insists upon that. My contention is that only what a man actually receives from all sources in the accounting period should be included. That is my argument.

Mr. COCKSHUTT: It appears to me that my hon. friend is contending about a point that is very clear in so far as the Government is concerned. The accounting period that the Government sets ends on the 31st December in each and every year. If the hon. gentleman's accounting period is January 31, he does not make the return for that year at all. The hon. gentleman will have the privilege of holding on to the funds for eleven months if his accounting period is the 31st January; but he must make his return for all the money he has received up to the 31st December. Suppose the Parliamentary session were on and he had received the indemnity for November and December he would have to make a return of that in his statement for the year. If the Parliamentary session were on and he received part of his indemnity for, say, November and December, he would have to make that in his return, but his indemnity for January, February, and March would appear in his statement for that year; in other words, he would split his indemnity into two parts. The same prinicple would be followed in regard to any other income, and anything received on the 2nd of January, although belonging to the previous year, would be included in the next year's return. I fought that out with the inspector, and it was ruled finally that my returns were correct because I included all moneys received up to the 31st of December.

Mr. PEDLOW: There is no ground for misunderstanding in that statement of the situation. But you do not understand the position I am placing before the House. Your accounting period ends on December 31, therefore—

The CHAIRMAN: Order. The hon. member should address his remarks to the Chair.

Mr. PEDLOW: I apologize, Mr. Chairman. My hon. friend is certainly in error in thinking that the two cases are parallel; they are altogether different; and that is where the difficulty occurs. There are many men in business whose accounting period does not end on December 31, and if placed in the position which I myself and many others are in, they will find a difficulty in complying with the ruling of the department. The department has ruled that it is necessary to include in the returns all that might be anticipated. I have had to fight out with the department.

Sir HENRY DRAYTON: If that is the only trouble, Mr. Chairman, I have much pleasure in assuring the hon. gentleman that it will not occur again. No taxpayer is called upon to anticipate anything in his return.

Mr. BUREAU: Except his bill.

Sir HENRY DRAYTON: It was a mistake made by the department.

Mr. PEDLOW: I am very glad to have that definite assurance from the minister, which settles my difficulty for all time to come. I can assure the hon. member for Cockshutt—

Mr. BUREAU: Hear, hear.

Mr. PEDLOW: I mean the hon. member for Brantford—

Mr. BUREAU: The hon. member for the Six Nations.

Mr. PEDLOW:—that it is not with the object of hanging on to the money for eleven months longer than I am entitled to that I raised the question; it is merely to have it squared away.

Amendment agreed to.

Clause as amended agreed to.

On clause 4—income from an estate or accumulating in trust.

Mr. FIELDING: My hon. friend (Sir Henry Drayton) made a motion to amend this section by substituting—

Sir HENRY DRAYTON: By substituting the words "paid or distributed" for the words "declared or voted."

4 p.m.

Mr. BUREAU: Why was this clause held back; what was the trouble.

Sir HENRY DRAYTON: It was held back because one hon. gentleman said the effect of the clause was to get something paid by some one who never benefited. It is quite clear that his anxiety was not well founded, because it is a tax against income in the hands of trustees and not in the hands of beneficiaries. What the section does is to cover accretions of income although not distributed.

Mr. DEVLIN: But the beneficiary must pay the tax as well as the fiduciary.

Sir HENRY DRAYTON: The hon. gentleman is quite right, if the income is distributed; but all we are dealing with here, Mr. Chairman, is undistributed income.

Section agreed to.

Mr. CASGRAIN: Before the Bill goes out of committee, Mr. Chairman—

The CHAIRMAN: Order. There is still clause 5 to be carried.

On clause 5—Patriotic and Red Cross funds.

Sir HENRY DRAYTON: That is a clause in which the hon. member for London (Mr. Cronyn) is very much interested. As he is attending a committee of the House this afternoon, I do not think it would be fair that the clause should be considered in his absence. That is the only clause left for consideration.

The CHAIRMAN: The Bill might be reported and the clause struck out on the third reading.

Mr. COCKSHUTT: Clause 16 has not yet been adopted, has it?

Mr. FIELDING: It was left with the understanding that the minister and the hon. member for London might be able to agree upon an amendment. I presume that has not yet been accomplished?

Sir HENRY DRAYTON: No.

Mr. FIELDING: It is not because they have differed; they have not had time to attend to it?

Sir HENRY DRAYTON: He has made further suggestions which I have not yet had time to consider.

Mr. MIDDLEBRO: The hon. member for London (Mr. Cronyn) will be here in a few minutes.

Sir HENRY DRAYTON: The clause suggested by the hon. member for London is different to the clause which he submitted yesterday. I will ask the committee to bear with me while I place my hand on the suggested amendment.

The CHAIRMAN: While we are waiting, the hon. member for Charlevoix-Montmorency (Mr. Casgrain) might take advantage of the opportunity to place his views before the committee.

Mr. CASGRAIN: I would like to draw the attention of the Minister of Finance to a certain matter which the hon. member for Chambly-Vercheres (Mr. Archambault) and myself referred to in the Budget debate; the taxing of earned and unearned incomes. At present under our law there is no difference in taxation depending on where the income comes from. In England I am told a distinction is drawn between incomes derived from real estate and securities and those which are earned and are absolutely extinguished on the death of the person earning them. For instance, a professional man as the manager or director of a big institution might take fifteen or twenty years to work up to an income of $15,000 or $20,000, which will immediately stop on his death, whereas the income from investments or real estate does not cease on the death of the owner, but inures to the benefit of the family. Has the minister considered the suggestion of distinguishing between the rates of taxation on earned and unearned incomes?

Sir HENRY DRAYTON: I took the question up some time ago when I first started to consider the income tax. I may say that my first impression was the same as the hon. gentleman's. A distinction is drawn in some countries. It is not drawn in the United States, nor in Australia nor in New Zealand as I recollect. It is drawn in part in Great Britain. There the income in the smaller amounts are distinguished, and the result is that income from investments is subject to a somewhat higher tax than other income, but the difference is not very great. The manner in which it applies in Great Britain is not exactly as I think the hon. gentleman would expect, because while it applies to the small, it does not apply to the large investor. For some reason, probably having regard

to the cost, the value of money and the demand made on investors for money, the Parliament in the Mother Country make that difference only on incomes up to £2,000. I would have thought that it would be better to have it on the heavy incomes rather than on the small incomes. Nevertheless, I find that to be the fact in the Mother Country. On looking into the matter further, having regard to the fact that after all we in Canada require outside capital, new money, probably as much as any other country does, because we require to develop all our resources and our position is different from that of Great Britain where the resources are well developed and the necessity for new capital is not as great as it is in Canada, I came to the conclusion that it was better to follow the example given by other countries which were seeking development, such as Australia, New Zealand and the United States. Another reason was that we are losing a great deal of money on account of delays in getting returns for income taxes. We think we would get money in very much more quickly and save a great deal of interest if the people assessed themselves. If we were to have two scales of assessment, it would be almost hopeless to expect a proper return to be made by a ratepayer.

Mr. CASGRAIN: In view of the fact that it is not certain at present whether there is going to be any increase in the indemnity of members of Parliament or not, I should like to know if the Government has considered the matter of exempting the indemnities of members from taxation.

Mr. BELAND: That matter was discussed yesterday.

Mr. CASGRAIN: It was left in abeyance.

Mr. REID (Mackenzie): What is the maximum exemption in Great Britain?

Sir HENRY DRAYTON: If the hon. member will read the report made by the Royal Commission, I think he will find that they are going to raise the exemption somewhat. The former exemption, as I recollect it, was £130, and as soon as an income of £130 is reached, the income is liable to taxation.

Mr. CLARK (Red Deer): That was probably in war time. When I was familiar with what was going on in the Old Country, the exemption was £160.

Sir HENRY DRAYTON: Yes, the exemption of £130 was during the war. It is quite likely that the exemption will be put back to the pre-war figure.

Mr. CASGRAIN: Has the minister any information to give us regarding the exemption from taxation of indemnities of members?

Mr. BUREAU: I thought it was suggested that members should be allowed to deduct a per diem allowance to cover their expenses? An amendment would be necessary to the clause which says that the indemnity shall be taxable.

Sir HENRY DRAYTON: The matter is one which I hoped to be able to look after in administration of the department; but I find this addition was made, I think, in the Senate, to one of the Bills:

> In determining the income, no deduction shall be allowed in respect of personal living expenses, and in cases in which personal and living expenses form part of the gain, profit or remuneration of the taxpayer, the same shall be assessed as income for the purposes of this Act.

My personal view, as I frankly told the committee, was that, as members have to be something out of pocket in order to earn the indemnity and as this is intended as an indemnity, not as a salary, if it be an indemnity, a fair per diem allowance for expenses for the time hon. gentlemen are in Ottawa engaged in their parliamentary duties, ought to be given.

Mr. BUREAU: All right.

Mr. LEMIEUX: In order to be fair to the minister, I should like to say that the question of the indemnity was brought up a year or so ago in a moment of hysterics. The word "indemnity" itself suggests the idea that it has for object the recouping of expenses made in order to perform a certain duty. As my hon. friend very well said a moment ago, it is not a salary; it is not a fixed income; therefore it is not a revenue, and should not be taxed. But if it be so taxed, if we are such super-patriots that we must super-tax even our indemnity, then let us make an allowance for the expenses we have to incur in order to attend to our duties at Ottawa. There should be no false pride in the matter.

Mr. CASGRAIN: I should like to have a definite ruling from the minister on this point.

Sir HENRY DRAYTON: I am afraid I cannot do anything more than quote the law as it now stands. This is a matter that could be dealt with only by an amendment.

Mr. CASGRAIN: So far, the department has asked that we pay on the amount of our indemnity, and we are not given any allowance or credit for the expenses we incur at Ottawa. If it be the intention of the minister to interpret the law in the way he suggests, we should have a decision of the matter now and an amendment inserted in the Bill.

Mr. LEMIEUX: The minister does not interpret the law. He is not the author; he regrets it.

Mr. BUREAU: Now is the time for an amendment.

Mr. COCKSHUTT: If the minister is able to give a decision, it is proper that it should be given now. I quite agree with my hon. friend across the way that an indemnity surely cannot be called such until the expenses incurred in connection with receiving it have been met. That takes, according to a man's spending power, anywhere from 25 to 50 per cent, sometimes 75 or 100 per cent. Therefore, a fair average might be struck, and I believe the minister is disposed to do that. But he says that the clause which he read does not leave any option in the matter. Without wishing to embarrass the minister at the moment, if this requires amendment—and I want to back him in this—I think if a modus operandi can be reached whereby a certain exemption may be made from the amount of the indemnity to cover what is spent by members while in Ottawa and while coming to and from Ottawa with all the other accessories in connection with our attendance here, that would be only a fair amount. I am not arguing for this for myself, because I can do without it, but I know that this tax is oppressing many members, and inasmuch as it is oppressing many members, it is a fair matter for consideration. I believe the intention in the first place was that the contention of my hon. friends across the way was to be the rule observed, and that the tax would fall only on such portion of the indemnity as we actually receive in hand after the work of the session was over. If a decision were arrived at in the matter, that would be very desirable.

Sir HENRY DRAYTON: I would suggest that the consideration of this matter be left open until the third reading, when I will undertake to bring the matter up and advise hon. gentlemen what it is open to me to do under the circumstances.

Section agreed to.

On section 5—Patriotic and Red Cross funds.

Mr. CRONYN: Following the suggestion of my hon. friend (Mr. Fielding) I endeavoured to draft a new paragraph (c) of subsection (1) of section 3, which I submitted yesterday to the minister. I am not aware whether it has received his approval, but I would like to read it. The effect is to amend clause 5 by adding thereto the following words:

and the following substituted therefor:—

Subject to such regulations as may be made by the minister, amounts paid by the taxpayer during the year to corporations organized and operated exclusively for hospitals, orphan asylums, and other charitable purposes, no part of the net earnings of which enures to the benefit of any private stockholder or individual, to an amount not in excess of ten per cent of the taxpayer's net income, as computed without any deduction being made therefrom under the provisions of this paragraph.

I would ask for leave to withdraw the amendment which I previously submitted and to move this one instead.

Previous amendment withdrawn.

Mr. COCKSHUTT: Hon. members have long been accustomed to make contributions to good causes, in their own constituencies at least, and they should not be denied that privilege by reason of the operation of the income tax. But if a very large portion of our income is taken from us by taxation we may be denied the privilege of making charitable donations to various good causes. The intention of the Government, is, I am sure, not to prohibit contributions to charity on the part of hon. members or citizens generally who are charitably inclined, and the minister would be well advised to accept this amendment or a similar one—I am not tied to the words; I have it just now for the first time. The amount of income which may be so contributed has been set in the amendment at 10 per cent. That is a modest amount, because many persons give more than 10 per cent of their income to charitable causes. The effect of this amendment would be to enable citizens to continue their contributions to certain well-established charitable institutions in their own immediate neighbourhood. I personally have for many years taken a considerable interest in an orphanage. I shall not be able to continue to assist in that work if my income is considerably depleted by taxation, and these charitable institutions will suffer. The people generally should be encouraged rather than discouraged in this connection. There is no doubt that charity covers a multitude of sins.

Charity makes the giver feel better and happier. No money is better spent than that which is contributed to a good cause, the welfare of which the donor has at heart. I have much pleasure in seconding the motion.

Mr. EDWARDS: I appreciate the motive of my hon. friend (Mr. Cockshutt) in his advocacy of the amendment when he points out that charity covers a multitude of sins. His argument seems to amount to this: that those who are in a position to contribute to this or that institution shall exercise their judgment as to whether they shall give to that institution or whether they shall contribute by way of taxation to the revenue of the country. For my part, I do not think that any person should be allowed to deduct from his income that which he gives to charity or to any charitable institution and thus escape taxation on that amount. I hold that view just as strongly as some hon. gentlemen hold the other view. Certain taxes have to be raised in this country. Let those gentlemen who are blessed with considerable wealth and who are sensible of the enormity of their sins and transgressions, after paying their taxes, cover up the multitude of their sins by contributing to charitable purposes to such extent as they feel disposed.

Mr. NESBITT: The assisting of charitable institutions is not by any means confined to people of wealth. Charitable institutions may be generously assisted by wealthy persons, but as a rule they are largely maintained by persons of very moderate means, —maintained because it is absolutely necessary that they should be maintained.

Mr. BUREAU: Persons of small means and big hearts.

Mr. NESBITT: Quite so. I do not think we should be carried away with the idea that these institutions are entirely maintained by the rich. If charitable institutions are properly defined in the amendment I think it would be a good thing to allow amounts so contributed to be deducted from the net income for the purposes of taxation.

Mr. FIELDING: I am heartily in sympathy with the purpose of the amendment of my hon. friend (Mr. Cronyn), though I wonder whether he is wise in specifying hospitals and orphan asylums; whether a reference to charities generally would not be sufficient. Then, the minister is to make regulations; I assume that they would define what these charities should be.

[Mr. Cockshutt.]

In connection with the War Charities Act the Government had to accept the responsibility of determining what were war charities and what were not, so that the duty on the part of the Government of arriving at such a decision is not absolutely new. However, in its general purpose I cordially support the amendment of the hon. member for London.

Mr. CLARK (Red Deer): On this occasion I am absolutely in agreement with my hon. friend from Frontenac (Mr. Edwards). Charity, to be worthy of commendation either in this world or in the other, ought to hurt the person giving it. If the State is to see that a man is carefully protected in connection with what he gives away, I cannot see where the charity comes in. A case of giving was discussed on one occasion by the Highest Authority. We were told that the rich out of their abundance gave, and they did not seem to receive much commendation. Then a widow came along who had only two mites; these two she gave and she was the one who received the praise. In order to make that gift she had to hurt herself; she had to scimp. I do not put myself up as a man who does it, but I do not want to talk buncombe or to listen to buncombe. I repeat that in my view the only charity that is worthy of commendation is charity that hurts. If it does not hurt it is not charity; it is that which is described, as I have just said, by the Highest Authority as giving out of our abundance.

I should be sorry to describe as charity on my part anything that was carefully protected from being taxed by the State. We are living in a period when we should realize something of what the world has been going through. We must be prepared as civilians to emulate to some extent the sacrifices of those who have given to the tune of 60,000 men all that they possessed and were—themselves. That is my view of the question and if it comes to a vote I shall have to take the same course as my hon. friend from Frontenac.

Mr. HALLADAY: This gives a loophole to some people who may not desire to pay their taxes. Some man might claim exemption on the strength of contributions, real or alleged, to the Red Cross or the Patriotic Fund or some other charitable institution. I am afraid that there are many people in Canada who would be ready to seek exemption and press their claim, because they had contributed to such funds as these.

Mr. RICHARDSON: My view is that if you adopt the amendment the taxpayer will be given the option of contributing to the State or contributing to charitable institutions. If the contributions could be limited in the future to the same proportion as existed in the past there might be some safety valve; but with my knowledge of human nature I think there would be a grave danger, if the amendment were adopted, that thousands of people, influenced by the idea of making themselves solid for the future might be disposed to cheat the State of their legitimate contributions to the public revenue.

Mr. SCOTT: In discussing this matter I see no reason why we should confuse the question of taxation with matters of charity. When it comes to paying other taxes than this particular one there is no consideration of charity. Why, therefore, should we make any distinction between the payment of income tax and municipal, provincial or any other taxes? When we are called upon to pay our municipal or provincial taxes we do not introduce the question of charity as a plea for exemption, and whatever we may see fit to give to charity has nothing to do with our duty so far as the payment of taxes is concerned. For my part, I see no reason at all why charity should be brought into this discussion, and I feel I must vote against the amendment.

Mr. WILSON (Saskatoon): I have had a good deal to do in soliciting subscriptions for one good cause and another in the country whenever charitable and benevolent institutions were being promoted or aided, and my experience has shown me that after all the bulk of assistance comes from those people whose income is exempt from taxation for the reason that it is small and barely sufficient for their needs. It is from such people that, to a great extent, contributions come for the upkeep of churches, charitable institutions, and other organizations that are supported by philanthropy; and if you grant this exemption to men whose income is large, you will be met with this argument, by those whose income is exempt from taxation: "John Jones has a larger income than mine and he is exempt on his charity, while I am not because I am exempt from income taxation." That is the argument that will be put forward by those whose income is below the exemption limit, and I think it would be unwise to accept this amendment.

Sir HENRY DRAYTON: I have a great deal of sympathy with the objects of the hon. member for London (Mr. Cronyn), but so far I have been unable to see my way to accept the amendment. I look upon the matter, however, as one entirely for the committee, in whose hands I think it can safely be left. I do not desire to add anything except to make an observation or two. I want to be absolutely fair about the matter. It is not a question of the ratepayer electing whether he will contribute to the country or to charity, because the exemption is on the amount of taxable income, and no matter what a man may give to charity we exact taxation on his income which varies from 4 per cent, 6 per cent, 8 per cent up to 34 and 56 per cent in the higher registers. My objections to the amendment still stand. I am afraid of difficulty arising, not from charitable persons but from the man who does not like to pay taxes; and I do not think that in the majority of instances, or indeed in any instance, charity would derive any great assistance from a man of that class. We have all kinds of returns made and there is a great deal of checking that has to be done. Unfortunately, there are people who think it perfectly right to cheat in their income returns, just as there are those who cheat in passing the customs barrier, and if he adopted the motion we would only be giving further scope to such people. In the second place, I think we require all the revenue which we can derive.

Mr. FIELDING: I think it is a mistake to treat this as a question of exempting the individual. It is not a question of favouring the individual; the question is not, why this man should be exempt and another man not exempt. The real question is whether we are going to do something helpful or something injurious to the charitable institutions of the country. That, in my opinion, is the correct view of the question. We have not yet in Canada reached socialism, communism, nationalism or any of the other numerous "isms" that exist to-day. We still do a thousand and one things by individual effort in this country. There is a vast amount of good done in Canada every day through individual action. A great deal of charitable work is not done by governments, either provincial, municipal or dominion, but by individual effort on the part of the people; and unless we can encourage this individual effort, the charitable institutions of the country

may suffer. I do not think it is worth while discussing the interests of the individual. We should not look upon the question as one of individual exemption, but we should certainly ask ourselves this question: Are we or are we not going to help those institutions which are doing so much good in the country? If the effect of the new taxation is to put a check on the outcome of generosity on the part of the people towards these institutions, then that is a fact well worthy of consideration. I am not pleading for the individual but I am saying a word for the thousand and one institutions throughout Canada which I think ought to be encouraged and which might probably be affected by this proposed taxation.

Mr. McGIBBON (Muskoka): I hope for the good of the country that this amendment will be voted down. After all, it boils itself down to this: This is a request from the wealth of this country to be exempted from taxation. I have nothing to say against them or what they have done but I want to say that some 400,000 or 500,000 men served for a good many years at a very low price and they are not coming here asking to be exempt from taxation. If the wealth of this country is going to fall down unless a certain amount is deducted from their taxation and if they are going to withhold their contributions to charitable institutions, so much the worse for the wealth of Canada. I do not believe they will do that, I do not believe they will ask for exemption and I do not believe the members of this House should exempt wealth when they are not exempting those who served the country at the front.

Mr. CRONYN: There are just one or two questions raised that I would like to make clear in regard to the wording of the amendment. It says: "Subject to such regulations as may be made by the minister." That is a phrase very commonly used in other taxation measures. In my mind it seemed that under that phrase the minister could make a regulation, for instance, that in the case of any gift to charity the receipt for that contribution must be attached to the return of the income so that there might be no possible question of fraud, as has been suggested. The addition of the words "hospitals, orphan asylums and other charitable purposes" is due to the suggestion of the parliamentary counsel that by using the introductory words you practically define what charitable institutions are under the well known legal rule. The minister then would have a definite line to determine what were and what were not charitable institutions. I believe that since the war among people of moderate incomes the practice of "giving till it hurts" has prevailed. I know that in our own city we had this year a general campaign for all charitable purposes and it was a pleasure to note that the man of medium income was giving in proportion far more than the wealthy man. Some of these men, in discussing at the time their subscriptions said: "We look at our budget carefully; we know what we have and what we can spare for purposes of this kind; this one campaign is to cover everything for this year; we are going to give every dollar we can but if we are called upon in addition to pay a tax on this subscription we must either deduct that tax from our subscription or we must cut off something else." Of course it may be said that it would be a fine thing to deny yourself some other need of living. I do think, however, that an amendment of this kind would result, whatever the motive, in a more hearty support of charitable institutions and I need not add now to what has been so well said by other hon. members on behalf of these charities.

Mr. McKENZIE: I fully agree with the statement of the hon. member for Frontenac (Mr. Edwards) and others who say this amendment should not be carried. The tax that anybody pays on his charitable givings is entirely too small to bother with. If a person is willing to give to charity I do not think he should be worrying about whether or not he is going to be exempt from the small amount of taxation that would be charged on that contribution to charity. I think it might well be left to the charitable instincts of the people of this country who support the institutions that must live by charity, I wish to state most emphatically that I am opposed as a matter of policy to any public institution being dependent on charity. That should not be the case. There are a great many very excellent institutions maintained by charity. In the province from which I come there is a hospital absolutely independent of charity. The provincial hospital is absolutely independent of charity. The support of the sanitarium in the province of Nova Scotia is entirely independent of charity. The best form of support for institutions of this kind is to tax the people in the proper way so that those who are in charge of institutions of this kind will never have reason to be afraid that suffi-

cient money will not be raised for the maintenance of the institutions. Those who are dependent on these institutions and those who are running them will have no anxiety as to whether the money will be forthcoming for their maintenance. I am bound to vote for the minister's amendment and to oppose the amendment of my hon. friend from London.

Amendment (Mr. Cronyn) negatived on division.

Section agreed to.

The CHAIRMAN: Shall the title carry?

Mr. DENIS: When this Bill becomes law the income war taxes of Canada will be embodied in four different statutes, the original statute and the three amending statutes that have followed from year to year. Is it the intention of the minister to have these four laws consolidated so that the public can understand them and lawyers may be able to study them in an intelligent and comprehensive way? Otherwise, as everybody knows, we would have to take the four laws and compile them ourselves in order to form an accurate opinion on the subject.

Sir HENRY DRAYTON: A consolidation of the Acts may be brought about next year; it is not intended to do this year.

Section agreed to.

Mr. NICHOLSON (Algoma): Before the committee rises I would ask the minister whether any further consideration has been given to my suggestions with regard to the exemption of householders instead of married persons, and the taxation of a class of men throughout the country who are entirely escaping taxation on account of the inability of the department to reach them.

Sir HENRY DRAYTON: I am very glad the hon. gentleman has drawn my attention to that fact. I wanted to see the hon. gentleman and some others in connection with the people that are escaping taxation. I shall therefore not move the third reading to-day, but merely that the Bill be reported.

Mr. CRERAR: There is a point to which I wish to invite the attention of the minister. I was unavoidably out of the Chamber when clause 10 was under consideration. Paragraph 7 of clause 10 provides that each person shall make his own assessment as to the amount of the tax, and paragraph 8 provides penalties for understating the true amount of the income. Now it occurs to me that an individual might, through ignorance or wrong interpretation of the law, make a return that was not correct, and still be in the best of good faith.

Mr. DENIS: I rise to a point of order. I understand that the hon. gentleman needs the unanimous consent of the committee in order to move the reconsideration of this section.

The CHAIRMAN: I did not ask that the committee give its unanimous consent to a return to the consideration of section 10. I intended to tell the hon. member that the clause has been amended in his absence by the addition of sub-paragraph 12. Was the hon. member aware of that?

Mr. CRERAR: That, Mr. Chairman, does not cover the point I have in mind. I am quite aware that the clause has been passed and that I have no right to again refer to it now. But I would like the unanimous consent of the committee to bring this point to the notice of the Finance Minister.

The CHAIRMAN: Is it the unanimous consent of the committee that the hon. member have leave to refer to clause 10 in order to ask a question?

Some hon. MEMBERS: Carried.

Sir HENRY DRAYTON: I can assure the hon. member that the matter was considered in his absence; the point was brought up by several members. A person is not liable to penalties for anything he does not know. He is not liable for mistakes in his own assessment. He is liable if he makes a misrepresentation as to his income. He is liable to a direct penalty if he makes a mistake of over ten per cent in his income, and that is a penalty which is on the ascending scale. He knows about his income and nobody else does. He is not liable for errors in the assessment he makes on that income because that is something that any one may make errors in connection with. The penalty merely covers first the misstatement in connection with the income and that means the amount of his own income and not the tax; and second, where the man does not pay, according to the assessment that he himself has made, the amount that he ought to pay.

Mr. CRERAR: As I understand it the clause is at variance with the statement which the minister has just made. Paragraph 8 states:

> Any person liable to pay any tax or surtax under this Act who, in the return of the income liable to taxation, makes a return in which he states the income to be less than the true amount—

—shall be subject to the penalty.

Sir HENRY DRAYTON: That is what I have just told the hon. member. It is the income not the tax. A person knows what his income is, or should.

Mr. CRERAR: He may not. He may not correctly interpret the provisions of the law and may not make the return correctly under the Act. I would suggest for the minister's consideration the insertion of the word "knowingly" in the third line of paragraph 8, so that the provision shall read, "in which he knowingly states."

The CHAIRMAN: Shall the clause carry?

Section agreed to, Bill reported with amendments, and amendments read the second time.

## SPECIAL WAR REVENUE ACT, 1915, AMENDMENT.

### EXCISE TAX RESOLUTIONS CONSIDERED IN COMMITTEE OF WAYS AND MEANS.

On motion of Sir Henry Drayton the House went into Committee of Ways and Means to consider the proposed resolution precedent to the amendment of the Special War Revenue Act, 1915. Mr. Boivin in the Chair:

Mr. FIELDING: I think we might well take these item by item, because the criticism applying to one item might not apply to all.

Sir HENRY DRAYTON: I would suggest that the committee might take the resolution as read. No one can remember it all, and here it is in writing.

In introducing these resolutions I do not know that I need add very much to what I said in my Budget Speech, except this; that we invite the careful attention of the committee to these different items. The Government stands absolutely on the question of principle, that revenue is required, and can be got out of expenditures of the character designated; but in so far as the different items are concerned, the last word certainly has not been said in so far as some matters of value are concerned; indeed, some amendments will be proposed. What we desire is to have the assistance of a full and frank discussion, bearing always in mind that revenue is urgently required, and that these expenditures are, in the main at any rate, entirely of a character that can largely be resorted to as a source from which that revenue ought to be obtained.

Mr. CLARK (Red Deer): I thank the Minister of Finance for his invitation to hon. members to give him their assistance in connection with these very important resolutions. Before we discuss any of the items, I think in a departure of this immense importance and, so far as this country is concerned, immense novelty, a number of general considerations ought to be taken into account. Now, if I may say so without offence, I am very much impressed with the way in which my hon. friend the Minister of Finance has conducted his duties in this House. I understand—although I am not any longer in the secrets of my friends on the other side of the House—that there have been discussions regarding the filling of a possible vacancy in the leadership over there—

Mr. BUREAU: Hear, hear.

Mr. CLARK (Red Deer): —and if that is the case—of course, I do not want to pry into the secret at all because there is no vacancy at present and none seems likely in the immediate future—if that is the case, in racing parlance I would be inclined to "put a little money" on my hon. friend as a "dark horse" in the race. Therefore, it is with considerable confidence that I appeal to him on a preliminary matter. He did me the honour and courtesy of listening to what I said on the second reading, when I pointed out very clearly, supported by the strongest authority, that, in the first place, these taxes or imposts, or whatever they are, are not excise taxes at all. I would like to ask my hon. friend whether he has thought of the suggestion which I threw out in all courtesy, that before we go any further he should re-christen these taxes? I supported myself by authority, which I do not want to quote until I hear what the minister has to say on the subject. But I do hope he will get himself further into my good graces by agreeing to my suggestion and re-christen these taxes at once, for they are not "excise" taxes.

Mr. LAPOINTE: What name would the hon. gentleman give to them?

Mr. CLARK (Red Deer): The baby is not mine.

Mr. COCKSHUTT: Mr. Chairman—

Mr. CLARK (Red Deer): Pardon me. I should like an answer from my hon. friend the Minister of Finance to what is a very courteous question.

Sir HENRY DRAYTON: I am afraid, Mr. Chairman, that I have been more concerned with trying to raise the money in the way in which it would perhaps do the least amount of harm and from the class that

can most easily pay it, rather than to finally determine just exactly what those taxes ought to be called. I am of the view, in so far as their name is concerned, that I would pay, and do pay, a great deal of attention to what my hon. friend from Red Deer has to say. I realize that he knows much more about the names of taxes and the general system of political economy than I do. I am inclined to think therefore that probably I will be better able to answer my hon. friend's question when these taxes are better understood after the helpful discussion which I am sure the whole subject will receive at the hands of this committee.

Mr. CLARK (Red Deer): Mr. Chairman, I must go a little further in this question, and I shall end, if I have only the support of a seconder, by moving an amendment. These taxes, I repeat, are not "excise" taxes—

Some hon. MEMBERS: Hear, hear.

Mr. CLARK (Red Deer):—and I think it is discreditable to the Government, to this House and to the country
5 p.m. that it should go forth to the world that we do not know what excise taxes are and that we allow this thing to sail under a name which it has no right to bear.

I quoted unimpeachable authority on the question, including Webster's Dictionary.

Some hon. MEMBERS: Oh, oh.

Mr. CLARK (Red Deer): Of course, I can understand a certain proportion of my hon. friends opposite not having regard to any such authority, but I cannot understand my hon. friend the Minister of Finance not having regard to it. Webster's Dictionary says:

> An excise duty is an inland duty or impost laid on articles produced and consumed in a country.

Does my hon. friend pretend for a moment that that definition applies to these taxes to be collected under the schedule as it reads now? As these taxes stand at the present moment a man goes into a retail shop to buy an article, and if it exceeds a certain price he is held up at the point of a revolver and made to pay a tax to the retailer, who for the purpose is appointed, willy-nilly, a tax collector by the Government, and has to pay a license for the honour. That is not an excise duty. I would reinforce myself further by an authority which ought also to carry very great weight with any one dealing with taxes. The Encyclopaedia Britannica defines an excise duty as:

> A duty charged on home goods either in the process of their manufacture or before they are sold to home consumers.

The essential feature in the first place about an excise duty is that it can be levied only on home goods. There is no pretence that that is so in the case of these particular duties. I protest for the honour of Parliament and the government of the country that we should call these things by a name which they would reasonably bear. They are not excise duties, and no member of the Government can prove that they are. My hon. friend (Sir Henry Drayton) has just spoken on the subject, but he has given us no enlightenment. After I spoke on the second reading, two of the ablest debaters in the Government spoke,—the President of the Council (Mr. Rowell) did not refer to the matter at all; the Minister of the Interior (Mr. Meighen), after parodying my definition of an excise duty immediately turned to me and said: "Is that the kind of duty that my hon. friend from Red Deer would put on? Then, there would not be many suits of clothes made in Canada." If my hon. friend were in his place, I should reply to him by saying that he knew very well that it was not the kind of tax that I would impose, and in the second place I should reply to him by saying that the kind of tax that I would impose in the country has nothing whatsoever to do with the true meaning of the words "excise duties." May I add that in the intellectual sphere I have as much respect for a quibbling sophism of that nature as I have for a mosquito in the domain of nature? The point in debate at that time was what was an excise duty according to the well-accepted meaning of the English language. This Government, by Orders in Council and otherwise, living beyond its mandate, as I believe, has done a number of wonderful things; but it has not yet the power to change the meaning of the English language, and it should recede from the attempt. My proposition is made in very good faith. I gave some illustrations, and I do not want to extend the remarks I made on the second reading further, although what I am saying is absolutely apposite to the point under debate or the chairman would, I know, be on my track. I want to submit in the most emphatic language that I can use that a majority of 26 for a Government which was elected less than three years ago by a majority of 70, is a very precarious and fragile instrument to

stand behind these taxes, but it is a much more precarious and fragile instrument to upset the well-established findings of Webster's Dictionary and the Encyclopaedia Britannica.

Mr. SHEARD: I rise to a point of order. The hon. member's remarks have nothing whatever to do with the subject of the resolution.

Mr. CLARK (Red Deer): On the point of order, I may say that the first words in the resolution are "excise duties," and I have not been discussing anything else.

Mr. SHEARD: I contend that a review of the majority of the Government on the vote on the general principles of the Budget or a discussion of a question of terminology is not in order to be discussed on this resolution.

Mr. VIEN: It is incidental.

The CHAIRMAN: The point or order, as I understand it, is that the hon. member for Red Deer is at the present time reviewing the entire Budget debate. I would not so judge. I think the hon. member for Red Deer is perfectly justified in putting forward any argument which he may desire to submit in an endeavour to convince the committee that it should change certain words which he finds in the resolution. I, therefore, must decide that the point or order is not well taken.

Mr. CLARK (Red Deer): I most carefully guarded myself from using a single sentence which would come under your censure, Sir, and the point of order was all the less necessary because I had almost finished what I had to say. I have quoted unimpeachable authority to prove, and I have proved that these are not excise duties. You may call them trade imposts. You may call them "borrowings from the United States," and very bad imitations they are, because they go much further than they do in the United States. I called them "internal tariffs," but what they really are is "sales taxes." They are taxes on men who dare to make purchases along certain lines. I have proved that they are not excise duties, and I defy any member of the Government to upset my proof, unless, indeed, they are imbued to an extent that I do not believe they are, with the spirit of the description that was given of the Centurion of old. The Centurion described himself in this way. He said: "I also am a man under authority; having soldiers under me; and I say to this man, Go, and he goeth and to another: Come, and he cometh." But I submit to my right hon. friend (Sir Robert Borden) and to the members of that Government with him, for all of whom they know that I have personally a great deal of respect, that though they have done a good deal of saying "Come" and saying "Go," they should not prematurely, without due thought, say, "Go," to the English language accompanied by Webster's Dictionary and the Encyclopædia Britannica.

Mr. MACKENZIE KING: I should like to supplement what the hon. member (Mr. M. Clark) has said about the advisability of using exact terminology in respect to taxation at a time when a variety of taxes are about to be considered.

Mr. CLARK (Red Deer): If I may intervene, I omitted to move my amendment. I move to amend this resolution by substituting the words "sales taxes" for the words "excise taxes" wherever the said words appear in the said resolution.

Some hon. MEMBERS: No.

Mr. MACKENZIE KING: I think it would be well, in considering the amendment, to have before us as many authorities as it is possible to cite on such an important matter. The hon. member has given very substantial authorities in support of his contention that the word "excise" is not rightly applicable to this particular form of tax. If there be one authority above another that is assumed to be reliable on matters of political economy, it is Palgrave's "Dictionary of Political Economy," and I have in my hand the volume which contains a chapter referring to the excise. I shall not recite the entire article, but the first paragraph of it is clear and explicit and, I think, will form a strong argument in support of the amendment. The definition of the excise, according to Palgrave's Dictionary of Political Economy, page 786, is as follows:

> The excise is the name given collectively to those duties which in the fiscal system of the United Kingdom are levied upon commodities produced within the kingdom itself, as distinguished from customs duties which are levied at the ports upon commodities imported from abroad. The word excise (latin excido) signifies etymologically something cut off; as an excise duty may in effect be considered something cut off or deducted, for the benefit of the State, from the price of the article as paid by the consumer. If there were no duty the consumer would pay a lower price for the article. The price, therefore, that he actually pays includes the duty; whence it follows that the duty itself is something deducted or subtracted from

the actual price paid. The price in fact is divided into two parts, one part being subtracted from the whole for the benefit of the State, and the remainder going to the vendor.

Duties of this character, whether levied on articles produced at home or imported from abroad, were at first equally known as excise duties, but in revenue parlance the word has long been restricted to duties on native commodities, those on foreign articles being known as the customs.

Then the article goes on to state:

An excise duty properly so-called belongs to the category of indirect taxes.

This tax is certainly a direct tax, not an indirect one, and in that regard, the word "excise" should not be used. Clearly the authorities on political economy generally are at one in agreeing that the word "excise" is used in contrast with the word "customs" to distinguish duties on articles produced at home from those on articles imported. I think that Parliament would do well, in its terminology as well as in its legislation, to follow a well established precedent so far as it is wise to do so.

Mr. EDWARDS: So much a gallon is collected on brandy or whiskey; would my hon. friend not consider that impost as coming under the definition of excise?

Mr. MACKENZIE KING: If the article were manufactured in Canada, it would be excise duty; if imported, it would be customs duty.

Mr. EDWARDS: I hold the same veiw that my hon. friend does in regard to the application of the word "excise" to liquors manufactured in Canada. Manifestly, then, the amendment of the member for Red Deer must be wrong, in part at least, because he would eliminate the use of the word in its application to those very things that the leader of the Opposition says it may be correctly applied to.

Mr. LAPOINTE: It is the title that is in part wrong.

Mr. EDWARDS: The amendment would seem to be wrong; we should say "excise and sales tax."

Mr. CLARK (Red Deer): The title I suggest would be a true and accurate title, whether it applied to home produce or to foreign produce.

Mr. ANDERSON: The title of this particular clause which we are now considering is "excise and sales taxes."

Mr. LOGGIE: Nearly all the goods enumerated in this schedule are domestic made goods. I venture to say that not one per cent of the boots and shoes used in Canada are imported goods. Practically the same applies to hats, men's and boys'; caps, men's and boys'; hose or stockings, silk; neckties and neckwear. In Toronto a few days ago I bought fifty dozen men's neckties, domestic made goods, none of them sufficiently high in price to come under this provision.

Mr. FIELDING: If all the goods numerated were domestic made, my hon. friend's argument would hold good, but if some are not, clearly his argument fails. If these things are all home-made, "excise" is the proper word, but to apply the word "excise" to imported goods is incorrect. "A rose by any other name would smell as sweet." What the minister wants is to get his money, and, with certain limitations, I would like to help him get it. But the use of the word "excise" is unhappy. The view taken by the hon. member for Red Deer is, in my judgment, sound, and should be sustained.

Mr. PEDLOW: These taxes will be no sweeter and no pleasanter to the person who has to pay them simply because of their being designated in any particular way. My suggestion would be to call this a commodity tax. That expression would have general application and would, I think, meet the situation admirably.

Mr. BELAND: Does my hon. friend consider that whiskey is a commodity?

Mr. PEDLOW: Yes.

Mr. BUREAU: No, it is a convenience.

Mr. PEDLOW: It depends on the brand that the hon. member uses.

The CHAIRMAN: Order.

Sir HENRY DRAYTON: I am sorry that what is evidently considered by some as an unfortunate use of words on my part has led to all this difficulty. My idea, though, is probably the idea of most of the people who are going to be hit by these taxes.

An hon. MEMBER: "Hit" is right.

Sir HENRY DRAYTON: Yes, we are hitting them; we have to hit them. We have to make a lot of the people understand that the war has to be paid for, just as it had to be won. We have on the one hand the customs taxes—the tariff, which a great many people object to—and, on the other hand, excise duties; that has been

the rough and ready division into which taxes in Canada have fallen. It is true that many definitions may be given of the word "excise." I notice that my hon. friend (Mr. M. Clark) relies upon an American dictionary for his definition. I also notice that the American authorities use the same designation in dealing with the same sort of things. But this American dictionary rather leaves the matter open. It defines excise, first, as "any commodity, toll or tax"; second, as "an inland duty or impost levied upon the manufacture, sale or consumption of commodities within the country." On the authority referred to by my hon. friend (Mr. M. Clark), therefore, we can say that an excise taxe is an inland duty or impost levied upon the manufacture,—that is one thing—and upon the sale, —that is another thing—no matter where the article comes from.

Mr. CLARK (Red Deer): Does it say that?

Sir HENRY DRAYTON: That is what I am saying. The definition does not restrict the application of the word to a duty or impost on the sale of an article manufactured within the country. It is a broad tax. It is a tax upon pursuits; upon the following of certain kinds of sports; upon certain trades. Some people will say that these taxes are a tax on certain trades; that it makes people engaged in certain trades act as collectors of public revenue and enforces upon them an obligation to which they were not subjected before. So that the authority referred to by my hon. friend shows that the use of the word "excise" as it is here used is a proper use. It is also a word which can be used in regard to license tax; exactions for licenses can be termed excise taxes.

Mr. CLARK (Red Deer): You would not import licenses.

Sir HENRY DRAYTON: That is true, but I do not think that that has very much to do with the question. Further than that, it is a tax:

> —applied to duties or fees levied upon makers of, or dealers in, excisable commodities, and finally to various taxes levied for permission to practise or conduct certain sports, trades, occupations, etc.

The English authority, the Imperial dictionary, goes further in support of my hon. friend's proposition than does the American dictionary on which he relies. The Imperial dictionary says:

> An inland tax or duty imposed on certain commodities of home production and consumption, as malt spirits, etc.



But in England it covers many other things. It covers all kinds of taxes that are really interior taxes as against customs taxes. For example, it covers the right to keep dogs, to carry a gun, and to deal in certain commodities. The fact of the matter is that so far as custom is concerned, not only in Canada but also in England, the word "excise" is loosely used to describe any kind of tax that is not a customs tax, and I should have thought this a rather happy word for this particular tax. After all, as my hon. friend points out, "excise" means something cut off, and I am not sure that it is not a good name for this tax.

Mr. FIELDING: I do not attach as much importance to this matter as some other hon. members, but it is worth while to be right about it. My hon. friend in quoting the authorities appears to raise a possible conflict between the English and the American dictionaries. He gets a little comfort from the American authority, but I want to warn him that there are certain well known reasons why we cannot afford to deal with Americans. I do not want to repeat those reasons, and if there is a choice we had better take the English authority. The authority quoted by the leader of the Opposition distinctly shows that an "excise" tax is so called to distinguish it from "customs" tax. But I want to set aside both the American and the English authorities and choose one that is better than they, and that is, a Canadian authority. We have had a practice of our own. We know in Canada what "excise" and "customs" mean; they mean two distinct things, and if you want evidence of it, my hon. friend has a document for which he is responsible and which will be helpful. If he will take up his Estimates he will find that we have one branch of the public servic which is known as excise and another branch known as customs. That has been the distinction all through the history of Canada. It is a distinction we all understand, and inasmuch as it is familiar to all Canadians and has always been followed in this country, we might safely put aside the English and the American authorities and follow the Canadian example. I think the point raised by the hon. member for Red Deer is well taken. While I do not attach the utmost importance to the matter—no matter what we call the tax it will be just as disagreeable—at the same time, it is just as well that we should be right. We cannot help if we find years afterwards that our statutes have been wrongly translated,

but in this matter we might very well be right at the outset.

Sir ROBERT BORDEN: I entirely concur in the opinion of the hon. member (Mr. Fielding) that people who must pay the tax will not lie awake at night because of anxiety as to what we call it. It may be perfectly true that the political economists of the United Kingdom have use the word "excise" in a restricted sense, but it by no means follows that such has been the case on this continent. In fact, I hold under my hand a definition of the word excise by a high legal authority in the United States—I am referring to Mr. Bouvier's work—in which he defines the word excise in a wide sense. There is no restriction at all as to its application to goods that are produced in the country. And after all why should there be? If Parliament in its wisdom sees fit to impose a tax, which you may call a commodity or a sales tax or an excise tax, upon all goods produced in Canada when offered for sale, and upon all goods imported into Canada when offered for sale, is any great violence thereby done to the English language? I might quote what my hon. friend from Shelburne and Queen's has said, that the Canadian authority is best of all; and if the Parliament of Canada in its wisdom sees fit to enact that a tax upon goods sold in this country, whether produced in the country or brought into the country, having paid duties upon importation, shall be called an excise tax, I really do not think that ony one, however much interested he may be in preserving the purity of the English language, could take exception to that course.

Mr. CLARK (Red Deer): I am always impressed by an argument on the part of my right hon. friend the Prime Minister, and I also appreciate the ability of the Minister of Finance; but I cannot agree with the statement that this matter is not one of importance to the people. The thing that we have to bring home to the people is the fact that these are new taxes, and they should have a new name. We want the people to understand exactly what the Government is doing, and I think there is importance in that. My hon. friend the Minister of Finance said just now that we must bring it home to the people that they have to pay the money. I quite agree with him, and I have expressed that opinion again and again; but I would bring that fact home most severely to the people who have the most money, and when we turn round and take the other course I want the people to understand what it is that is being done. Now, my right hon. friend the Prime Minister says that no great violence is done to the English language if the Parliament of Canada enacts that this shall be called an excise tax. That was the precise point; what he stated as the Act of the Canadian Parliament in altering the meaning of English words. I cannot describe the proposition as other than one which is startling and takes my breath away. It is not the function of this Parliament to alter the meaning of simple English words. That is all the answer I really need to make to my right hon. friend. It is not the function of this Parliament and still less is it the function of this Government. I question if they have a mandate to govern—indeed the recent by-elections have shown that they have not—but certainly they have no mandate to alter the meaning of simple English words.

In regard to the speech of the hon. the Minister of Finance (Sir Henry Drayton) —he has come very recently to the study of the dictionary and he was interpreting his definitions as he went along. I am sorry for his own reputation that he stopped to emphasize the word "sold" in one sentence that he read. The sentence referred to articles "manufactured and sold in Canada." He says—mark this—"sold" as well as "manufactured." Is it not apparent to a third form school boy that the word "sold" refers to articles which have been manufactured and therefore to those which have been manufactured and sold within Canada? The whole sentence refers to the same set of articles. I can only classify his interpretation as I classified an argument from another source a short time ago. Clearly and manifestly the sentence refers to an article "manufactured and sold" in Canada. The Minister of Finance says that the word "excise" is loosely used. There is no possible justification for that statement. The word has been precisely used for a century. When the hon. gentleman says that I based myself on dictionaries it is only because I was dealing with one who was new to financial subjects, and I fortified myself with dictionaries. I had to give him what its meaning was from the knowledge I had possessed from my school days.

Some hon. MEMBERS: Oh, oh.

Mr. CLARK (Red Deer): I care nothing about these exclamations from hon. gents;

there is the result of knowledge, the result of a hundred years of practice in the Old Country and at times my hon. friends opposite accept precedents from the Old Country readily enough. The word has had a precise meaning. It applies in every case to something that this country produces, manufactures and sells—to articles or commodities offered for sale. It is applicable only to articles produced and sold in the country. It is not a loose word it is a precise word having a meaning a century old and I contend that the arguments of my right hon. friend and of my hon. friend have done nothing whatever to weaken the position I have taken.

What is the objection? Is the term "sales tax" not a precise description of what my hon. friends are doing? Is it not perfectly precise? Is it not perfectly accurate to say that if we want to do a new thing in this country we are doing it by introducing this tax? It would be perfectly natural to do a new thing but in so far as describing new taxes are concerned, you would not alter the meaning of the words "sales" or "tax" if you applied these expressions to these things. When you apply the word "excise," whether it is a duty or a tax, to this sales tax you are doing violence to the English language, you are doing violence to the practice of financiers on both sides of the Atlantic and you are doing violence to the history of your own country. I do not need to pursue the argument.

Sir HENRY DRAYTON: The hon. gentleman says I am doing violence to the history of the country. Why, I am following what the hon. gentleman supported in this Parliament. I am following the language that he used as a supporter of the Government, and a prominent supporter of the Government, in 1918. I am following the legislation which was passed then. The legislation of this year is but an extension of what was done then. There is no difference in principle. Take for example what was done in connection with automobiles and jewelry, where the hon. gentleman is dealing with an imported article directly, where he is dealing with a home article directly and where in reference to both of them the excise tax is precisely the same. Where the article is imported such war excise tax would be paid by the importer and where the article is manufactured and sold such war excise tax would be paid by the manufacturer. I am following just what this Parliament has done and the manner in which this Parliament has described a similar tax.

Mr. MACKENZIE KING: I think this matter might be considered apart altogether from the question of authority and in relation primarily to what will be of greatest convenience to the public in studying and understanding fiscal matters. One may admit that authorities differ. I think, notwithstanding, the authorities quoted this afternoon are pretty well agreed that the distinction of importance is between customs and excise. The point I should like to make is that in future financial discussions we will have occasion to consider what revenue is being derived from customs, what revenue is being derived from excise, as we have used that term heretofore, and what revenue is being derived from the taxes that are now being imposed for the first time. Without some such separate classification, I am sure my hon. friend (Sir Henry Drayton) will find it difficult to make necessary distinctions clear to the House when he speaks of revenues derived from excise duties as the term has been used heretofore and revenues derived from excise as that term is being used in reference to this sales tax. If words have any use at all it is simply as vehicles for conveying thought and ideas from one mind to another. I would submit to my hon. friend that he will be conveniencing the public and every public speaker in endeavouring to interpret these taxes to a public audience by using words that have a common acceptation without any further definition of them. One hon. gentleman has suggested the words "commodity tax." That would seem to be a general and descriptive phrase by which the meaning could be easily and quickly grasped. When one uses the word "excise" the public mind is going to think of the word " excise " as it has hitherto been used as applied to existing excise duties. If the words " sales tax" were used, the public mind would not suffer confusion when this particular tax is under consideration. I think it will save confusion in the future and make for a clearer comprehension of important differences, if the suggestions made are considered in a broad light and not from the point of view of what position has been taken by one side as opposed to the other.

Sir ROBERT BORDEN: My hon. friend (Mr. Mackenzie King) seems to overlook the fact that we have already given parliamentary recognition to the word "excise"

in the sense which it is proposed here. By section 19 of chapter 46 of the Acts of 1918 the word "excise" was simply and unequivocally defined, as a duty levied not only upon articles manufactured in Canada but upon articles imported into Canada and put into consumption.

If we propose to depart from that use of the word now we ought to go back and amend the statute of 1918 in which the word, as I have stated, was most distinctly used in the sense now attached to it in the resolution. I repeat once more that I cannot conceive, nor have I heard of any detriment to the public interest from the use of the word in that sense in 1918, and equally I believe no detriment to the public interest can result from the same use of the word in the legislation now proposed by the Minister of Finance. Customs duties are one thing. Excise duties, whether levied on goods produced in Canada or on goods imported into Canada after the customs duty has been paid, are perfectly plain, perfectly distinct, and this use of the word need arouse no criticism whatever in the mind of any person.

Mr. MACKENZIE KING: A point to be borne in mind in regard to the matter to which reference has just been made is that these duties, whenever they have been collected by the State, have been collected—whether on imported articles or on articles produced at home—from the importer or manufacturer, or the producer; they have not been collected direct from the consumer. They have not been an extra tax levied upon the consumer which he, through the importer or the merchant, has transferred to the State. There is a real distinction between the method of collection of taxation we have heretofore spoken of as in the form of excise and the method of collection of the taxation that is being proposed at the present time; and if there is a distinction as wide as that it would seem, if terminology can assist us in making the distinction clear, that advantage should be taken of it.

Mr. COCKSHUTT: It appears to me that a very large amount of fuss is being made about a very small matter.

Some hon. MEMBERS: Hear, hear.

Mr. COCKSHUTT: My hon. friend from Red Deer is particularly exercised with regard to the words "excise duty," and he says we are really setting aside the English language in using them here. Now the hon. gentleman himself was not so careful in the use of language as applied to these particular articles in his speech during the Budget debate, if my memory serves me rightly. I would like to ask my hon. friend if he can recall the word that he applied to these taxes during his speech on the Budget? Mr. Chairman, he applied the word "tariff" to these taxes, and that is what he is trying to clear the ground for at the present moment; he wants to bring in the word "tariff" a little later on. My hon. friend stated in his Budget Speech, if my memory serves me correctly, that this was not a luxury tax, that it was not a sales tax, but an addition to the tariff. I think I am right in that; I do not wish to ascribe to my hon. friend anything that he did not say. My recollection is that he stated it was an addition to the tariff and should be so characterized. Now whether the tax is an excise or not it is properly designated in the speech of the Minister of Finance as it has been reprinted and distributed. The heading of that speech is, "Excise and Sales Tax." Whether or not the designation should have been repeated in each particular case I will not say. I think perhaps the minister would have been well advised to have done so because there is something in my hon. friend's contention, and we do not want to have in operation a mis-named tax. However, the heading upon the speech is, "Excise and Sales Tax," which evidently pleases my hon. friend. Therefore it is apparent that whatever in the resolution is not an excise tax—and it is admitted there are some excise taxes in it—is a sales tax, and there you have the whole thing. Now if the minister would repeat the designation in every case that is apparently all that is needed; and apparently all the difference between the two hon. gentlemen, as far as I can see, is that the heading of these articles is "Excise and Sales Tax" and therefore in the resolutions themselves those words should have been repeated to have been absolutely accurate. But surely my hon. friend is not going to condemn the whole thing simply because of the insistence upon a name which when used is living up to the economic theories of Adam Smith, Cobden and Bright, and all those great economists of the past who were great authorities on taxation as well as language, and on language as well as taxation. There is no reason, Mr. Chairman, why any fuss should be made about this characterization. There are a great many more important things connected with this matter than the mere name. Of course there is smething in a name, especially if it is a bad name. The

tariff, with my hon. friend, is a very bad name. Therefore he wants to attach these luxury taxes to the tariff and then condemn them from the start in common with all free traders; but he cannot by any process of reasoning add these taxes to the tariff or make out that they increase the tariff, so far as I can understand the English language. I think if the minister simply employs the words that are printed at the head of his speech in connection with these resolutions I am sure that my hon. friend from Red Deer, who is at all times most reasonable, would not kick about a matter so small as this when at the same time he is getting in use his words "Sales Tax" and the minister is using the words, "Excise Tax." Then all parties will be satisfied for it will be apparent that what is not covered by the word, "excise" is covered by the word, "sales."

Mr. CLARK (Red Deer): I have only a word or two to say if I may reply to my hon. friend's speech with three-quarters of which I agree entirely. When he described me as saying that this was in its nature an internal tariff I absolutely agree—he quotes me accurately. The reason I figure that this in its nature is an internal tariff is that just as an external tariff takes so much money out of the consumer's pocket when levied—levied at the sea-shore so this tax takes so much out of the consumer's pocket when applied inland. If something is taken out of my pocket,whether at the seashore or inland, I can assure my hon. friend I am so constituted that in the nature of things I cannot see the difference in the two operations—I am hurt in the same place. I am perfectly agreed as to his accuracy in quoting me, and I am still convinced of the correctness of my views as to what would be an accurate description of the real nature of this tariff.

Now my hon. friend and another hon. gentleman behind him have referred to the editorial heading of the speech of the Minister of Finance. Well, I am sure the minister will not attach so much importance to the heading of his speech that he would want that to set the seal upon the discussion we are having at the present moment. Where I differ from my hon. friend from Brantford is in this: He says these duties may be classified as excise and sales taxes. Now what I do most emphatically wish to point out to my hon. friend is, that as there are excise taxes and as there are sales taxes it is really rather a foolish procedure to apply the term "Excise Taxes" to what are "Sales Taxes." So that he really made a very strong speech in support of my amendment. I only asked very modestly that the words "excise duties" or "excise taxes" should be changed for "sales taxes" in the resolution which we are now considering, if the tax on clothing, and other commodities mentioned therein is to be collected by the vendor at the time of sale. So that I submit to my hon. friend—for whose intelligence I have as much respect as he has for my reasonableness — that if there are both excise duties, or excise taxes, and sales taxes, in these resolutions, as the first resolution refers only to the sales taxes then let us call them sales taxes and not excise taxes.

Amendment of Mr. Clark (Red Deer) negatived: Yeas, 39; nays, 66.

At Six o'clock the committee took recess.

## After Recess.

The committee resumed at Eight o'clock, Mr. Boivin in the Chair.

The CHAIRMAN When the committee rose at six o'clock we were considering resolutions to amend the special War Revenue Act, 1915.

Mr. CLARK (Red Deer): May I call attention to the fact that the minister in charge of these resolutions is not in his seat?

The CHAIRMAN: The minister is in the Chamber.

Sir HENRY DRAYTON: I have left my seat for a moment.

Mr. CLARK (Red Deer): I am glad to see the minister has joined the right side of the House.

Mr. NICHOLSON (Algoma): I should like to say a word or two with regard to the method of collection of these taxes. In the main, under the provisions of the resolutions as submitted to the committee, the taxes are to be collected by the retail merchant at the time of sale to the ultimate consumer. While having in mind the question of bringing home to the ultimate taxpayer just what these taxes are going to mean to him, and while there is doubtless something to be said for that argument, nevertheless I think the principle contained in thes eresolutions as to the manner in which the taxes are to be collected is going to bring about an almost impossible situation. I take it for granted that the aim of

the Minister of Finance is to secure revenue, and my judgment, after considering the matter with some degree of care, is that the minister, by collecting in the method that is suggested to the committee at the present moment, is not going to get the revenue that these taxes should produce. There are many reasons for that. So many individual transactions have to be covered in securing a definite sum of money that, in the first place, it will be almost impossible to keep a record of the transactions. In the second place, where there happens to be a man who is in business for himself or employing those who may not want to follow this method of taxation honestly, a means is opened up for defeating the very object of the tax and creating, if I may use the term, almost a generation of that class of people who always like to "beat the Government" if they can. During the past two weeks I took the trouble to inquire closely what this means as regards the work involved on the retailer. I may say at once that I am not in the retail business, and the suggestion I have to make before I sit down, if it hits at any one, will hit at the class of people with whom I happen to be associated. I took what I think would be recognized as a not-above-the-average retailer, a man doing a retail business in a town of 3,000 people where there are seven other retail stores. I found that in one day's business, that man had 807 sales' slips, charge and cash sales, involving sums all the way from one cent up. Of those 807 sales' slips, approximately 100 were for sales that would come under the resolutions and for goods that would be taxable. I submit in the first place that if the department are going adequately to check the sales to see that the taxes are properly collected, they would require to check the whole 807 sales. I reduced this as nearly as I could to figures in order to see what this meant for the whole Dominion of Canada. There are upwards of 200,000 retailers in business in Canada; and assuming that this man is an average retailer, and assuming that you could get accountants to check these slips at the rate of 10 a minute, it would take 8,000 people working seven hours a day continuously to do nothing but check the slips, provided that all the slips are checked—and if the department are going to see that all the sales that should be taxed are taxed then every sales' slip, whether cash or credit, should be checked. But if we reduce this simply to 100 sales in that particular man's case, it would still take 1,000 people to check all the sales' slips of all the retailers in Canada. When that retailer to whom I have referred comes to make out his monthly statement to the department, the statement that he must make out will cover 43 sheets of foolscap paper. If you multiply that by 200,000, you will find the volume of returns that the department will have to check in order to get this sum of money. Besides all this, you, are imposing on the retailer a burden that he should not be compelled to carry. You are putting him in a position in which it is not fair to put any class of man, in relation not only to his customers, but to carrying on his business. I do not wish to weary the committee by going into any more of these details. After carefully reviewing the whole situation and discussing it with men who are themselves anxious to assist in working out some practical method of getting the additional revenue the country must have, I have come to the conclusion that this is an almost impossible method of collecting this tax. The suggestion I have to pass on to the Government and to the minister is this, that after having modified the details of these taxes, as I have no doubt they will be modified in relation to some of the articles, they should then collect the tax on the specific goods that it is finally determined shall be taxed, at the point of manufacture of the finished article and at the point of importation of the finished article. That method can be worked out so that the department will have an infinitely smaller number of transactions to deal with; they will get more revenue, and they will relieve a deserving class of people in this country of a burden that, I think, should not be imposed upon them. I am not at the moment going to move any amendment; I pass this on simply as a suggestion, and I trust the Government and the Minister of Finance will take it into their very serious consideration.

Mr. CLARK (Red Deer): I am very glad my hon. friend (Mr. Nicholson, Algoma) has raised a question which must have been in the minds of every hon. member who has given serious attention to these taxes, the question of the machinery for the collection of these taxes. It is a most important question. We have, in effect, in power in this country at the present time a Cabinet of lawyers. I wish the Government had in their ranks one or two business men such as the hon. member who has just spoken; because they would have saved the Government from getting into trouble such as they

have got into. I have listened with the utmost care to what the hon. member has said, and he has pointed out some of the difficulties connected with the machinery for the collection of these taxes. What is happening at the present moment in regard to these taxes? Men in business along certain lines in this city—indeed, this applies to the whole of Canada—find that they are suddenly compelled, by reason of these proposals, to employ a bookkeeper where they did not need one before. Why? Because they have to keep track of all the sales in connection with the new taxes proposed under this resolution. What is it that we actually propose to do under this resolution? We propose to make almost every retail trader in Canada a collector of Government taxes, and make him pay a license fee for the privilege of collecting those taxes. He has been doing his ordinary business, with his ordinary staff, under the principles of freedom, but under the principles of coercion, which are the secret and the heart of this taxation, he finds that in many cases he has to put on a bookkeeper. Who pays the bookkeeper? The consumers of Canada. Before we go into any detail in the discussion of these taxes we must get to know what they mean in bulk. It is a fact that business men in Ottawa have already had to employ a bookkeeper where they were previously doing their own business. That bookkeeper, call him what you like, is practically an increase of the Civil Service of Canada. It is true that the Government will not have to pay his salary; his salary will come out of the consumers of Canada. If we go along this line, where shall we get to? I am grateful to my hon. friend from Algoma East (Mr. Nicholson) for raising this question of the machinery of taxation. I should like to know whether the minister can give us any general ideas, before we go into details, as to the machinery by which he proposes to collect these taxes, from Halifax to Vancouver, from the northern seas to the American border.

Mr. BURNHAM: I would be derelict in my duty if I did not voice the sentiments of my constituents. Their protests have been long and loud in connection with this matter; they object to having to collect the taxes. There may be an explanation; I have no doubt that there is; it would be absurd to suppose that this complication is to be set upon the people and left there for them to fume over. I am satisfied that the minister and the commissioners will between them evolve some plan. I am also satisfied that the hon. member for Red Deer, who is a doctor, is not the man to lecture a cabinet of lawyers. Much as I respect the medical profession, I would—

Mr. CLARK (Red Deer): I am a farmer.

Mr. BURNHAM: When a man goes into business he prepares the way through a lawyer; when he goes out he prepares the way for his funeral through a lawyer.

Mr. PEDLOW: Before we proceed further with the general discussion of this subject I think it would be in order for the minister to explain this resolution. I understand that since the resolution was proposed in the Budget Speech, certain modifications of the schedule have been determined upon. If these modifications, together with any other information that the minister wishes to furnish, are communicated to the committee now, matters will be simplified and a good deal of discussion may be avoided.

Sir HENRY DRAYTON: I am glad to comply with my hon. friend's suggestion. I will say a word first with regard to the matter that has been spoken of by the member for Algoma East (Mr. Nicholson) and other hon. gentlemen. There is no doubt that it is easy to turn away from the duty that is unpleasant; it is easier to borrow money than to impose taxes; it is much easier to drift than to row against the stream. It is very much easier for the retail merchant if he is specially protected in connection with this matter, and if there is any way of specially protecting him without loss to the State or inconvenience to the community, he shall be protected. On the other hand, if the economic necessities of the situation demand that he should be conscripted, if you like, in his country's service, then he ought to be conscripted in that service. I am not saying at the moment that that is necessary; I shall be pleased to take this suggestion and every other suggestion that is made into my most earnest and careful consideration. What we want to do is to get a maximum of revenue with a minimum of inconvenience, and a maximum of revenue from those classes of people that can best afford to pay. One of the main objections to most forms of taxation is not only that the taxation itself is passed along, but also that profits are predicated on that taxation. What we all try to get at is a tax which will be borne by the men best capable of paying it, a tax so designed that it will not be possible for the person who should pay it to make

somebody else pay it for him, and at the same time to charge profits on that tax as part of his expenses. That is the main reason why the burden of collecting the taxes has been placed upon the retailer; that is the main reason why similar action was taken in the United States. We have had very marked drops in prices since this taxation was introduced. Would hon. gentlemen expect similar drops in prices if, instead of the purchaser knowing what the tax was, the manufacturer and the wholesaler had been put in the position of paying that tax in the first instance and then charging a profit upon it? So far as collection is concerned, our task is indeed easy; if we put the tax upon the manufacturer and upon the wholesaler we shall have little or no trouble; we shall get a larger revenue, and we shall stop a leak here and there which otherwise would not be stopped. But what about the man on the street? What about the man who makes the purchase? We are trying to think of him; we are trying to work out something which will bring down rather than multiply costs. Most taxes are brought into the cost figures of the concern and have profits placed upon them. This tax cannot be so treated. Everybody knows what the tax is when called upon to pay it, but he need not pay it unless he wants to. Now, that leaves the very important question for consideration and for ultimate determination whether it is in the public interest to collect the maximum of taxation, or whether we should not, on the one hand, seek revenue, and, on the other hand, seek to bring down the cost of commodities, to bring down the general high cost of living. Every purchaser should know that when he is buying an unnecessarily expensive article he is paying a little bit for his extravagance, and is paying to some extent for something that is not an intrinsic quality of the article. We have to consider whether it is worth while that this should be realized. As I have said in connection with all these resolutions, bearing in mind always the condition of the country and the fact that we propose to pay our way as we go, to raise proper revenue and, as far as possible, reduce the high cost of living, all these proposals are submitted to the House in the hope that we may be able materially to improve our condition. The hon. member for South Renfrew (Mr. Pedlow) has asked me what concessions it has been thought possible to make in connection with the taxes proposed, and I have much pleasure in taking the matter up in answer to that inquiry. The first taxes which we have are the taxes on boots and shoes. There is no question that boots and shoes are an absolute necessity; the only question is that of reasonableness of price.

Mr. CLARK (Red Deer): I asked the minister to give us some idea of the machinery by which he is going to collect the taxes, and he proceeds to discuss the details. Is this to illustrate that machinery, or am I to understand that he refuses to answer my question? I want to know something about the machinery. What machinery does the Minister of Finance propose to institute from Halifax to Vancouver for the collection of the taxes? This question has a most important bearing on the whole subject, because if you put into force machinery which is a duplicate of the customs staff you increase the Civil Service and throw away the taxes at the same time.

Mr. BELAND: Before the minister passes to a consideration of the individual items, I desire to express my concurrence in the view of the hon. member for Red Deer, that we must first of all know, before we discuss the items, what is the exact machinery that will be employed to collect the taxes. It is now stated in a general way that the taxes should be collected by the retailer. Has the minister realized what it would mean in actual practice for country retail merchants to collect the duty on every yard of ribbon that they sell? Let me illustrate this point. There are five persons in a country store in the morning each of them seeking to buy, let us say, a yard or two of ordinary ribbon, which is not a luxury. Some ribbon retails at fifteen cents a yard.

An hon. MEMBER: Fifteen cents?

Mr. BELAND: Let us say fifteen cents; that is the average price. The little girls going to school wear this ribbon on their hair, and I do not think you would call that a luxury article. However, the merchant sells a yard of this ribbon. Do I understand that he is to make a duplicate sheet for the fifteen cents and one for the cent and a half duty he is going to collect, and that he is going to keep track of that sort of thing from the first hour to the last hour of the day; and that every two weeks or every month, as the case may be, he is going to supply a report to the department? This is one illustration amongst a thousand. If a retail merchant wanted to carry

out the provisions of this resolution he would have to get additional assistance that would entail an expenditure of perhaps a thousand dollars a year. Do hon. members realize what a thousand dollars means to an ordinary retail merchant in a country store? This is a most serious question. Cannot the minister find a way to collect through the wholesale dealer these taxes on all the articles mentioned in the resolution. The retail merchant in a country town buys a hundred dollars' worth of ribbon from a wholesale dealer in Montreal, say, who makes an invoice for $100 and $10 of excise duty. This is collected from the merchant, who can then fix his price so as to cover any loss in connection with the tax imposed upon him. Could not the minister devise some such scheme? I have consulted a good many retail merchants, not in any attempt to prejudice them against the tax, but simply to ascertain their views; and they all to a man agree that it is almost impossible for them, with the best will in the world, to carry out the provisions of this law. As my hon. friend from Red Deer has said, it would require machinery that would be more expensive than the collection of the customs duty in Canada, whereas if the minister could attain the same end through the agency of the wholesale dealer the work would be much simpler. The only argument the minister can advance against collecting the taxes through the wholesale dealer is that he wants every customer who buys one of these articles that are designated as luxuries to know that the country is collecting a tax from him. Is it so important that a man who is in need of a ten-dollar pair of shoes should know he has to pay a dollar on them? I do not want to go into details, but ten-dollar shoes are not luxuries in my district, where so many ordinary workingmen who are at work in the forest, in the driving of logs, require boots and shoes that cost from $12 to $14 and $15.

Mr. ARMSTRONG (Lambton): As I understand it, the hon. member for South Renfrew asked the minister a question. The minister was attempting to answer it and to give the changes he intends to make to these resolutions. Why not allow him to put them on record? Possibly he was dealing with the question that the hon. gentleman (Mr. Béland) was talking about.

Mr. BELAND: My hon. friend is quite mistaken. The minister was referring to the machinery. He apparently had disposed of the question.



Mr. ARMSTRONG (Lambton): No.

Mr. BELAND: Yes, my hon. friend need not say anything to the contrary. The minister had entered upon another point, was considering another article; he was not specifying the way in which the tax would be collected, because he had disposed of that.

Mr. ARMSTRONG (Lambton): I understand he was dealing with the changes he intended to make.

Mr. BELAND: Changes? Yes, as to the minimum amount at which a specified article should be placed. He disposed of the question with a wave of the hand, as it were. He was speaking of the machinery. The people must know, he said, that there is a tax on a pair of shoes; they must know when they are paying it. He had disposed of that. He said that he was disposed to consider the suggestions that would be made in regard to the change in the minimum price for one particular article. But as to the machinery, he appeared, at least in so far as I could understand him, to be unwilling to consider any proposal to collect the tax in any other way. I cannot too much insist upon this point. I think the minister should have adopted a simpler way of collecting the tax. The retailers would be better satisfied; he would get his revenue; and we will tell the people that they pay the tax.

Mr. McCREA: Most of them know it now.

Sir HENRY DRAYTON: The hon. gentleman (Mr. Béland) is entirely in error. If I said what he thinks I did I improperly expressed myself. I did not refuse any discussion or consideration of the method proposed, but on the other hand, I interrupted and said I would be very glad to go into it and personally to give it my best and most careful consideration. Further than that, I used words to the effect that while it was my duty and the duty of the House as I conceived it to see that the necessary revenues are raised, if this whole talk about raising taxes and paying our way as we go is not idle chatter, it was also our duty to see that these taxes were collected in the very best and most economical way, in the way which would lead to the least friction and place the least burden upon any section or class in the country, be they retail merchants or any other. My hon. friend from Red Deer has asked what is proposed to be done. In the first place what is proposed to be done is to take advantage of every

constructive suggestion which hon. gentlemen are kind enough to make with that end in view. Apart from that, what would ordinarily be proposed to be done, and what will be done, is to arrange through the Department of Inland Revenue, which department already has the matter in hand, for a proper and systematic way of collecting the tax.

Let me say one thing right here. Whatever hon. gentlemen may say, I think that in so far as the great mass of the retailers of the country are concerned, they do not need hon. gentlemen at their elbow all the time telling them what they should do. I do not believe it is going to require an army of men to look after the tax. I believe the great majority of the retail merchants are anxious to co-operate in the collection of this tax. They told me so themselves. They take the view that if this is the only way and the best way the money can be got, while they do not like it, they are yet prepared to do their bit, and they are doing their bit. I do not believe they are a class of men who are going to try and see how much they can knock out of the treasury or how much they can filch from Canada. Therefore, I repeat, we are not going to require any great army of men to look after this tax. We ought not to. While my political experience is short I have had a lot of knocking around Canada and my experience of the Canadian generally is that where there is an honest way of doing a thing he does it honestly and that the crooked man is indeed an exception in this country. We do not propose to employ an army of detectives; we propose to have a very limited number of men to instruct rather than to prosecute or intimidate.

The method by which these taxes can be collected is of course a matter of regulation. It may be that the whole of the taxes can be collected through the medium of the stamp tax, and if they are collected through the medium of the stamp tax there is no necessity for the book-keeper that the hon. gentleman speaks of. As I said I do not want to pass finally upon everything. No one is more conscious than myself of the fact that this is my first session in this House; no one is more conscious than myself that I require instruction even from the hon. member for Red Deer. But, also, no one is more conscious of the fact that revenues have to be raised and that, inasmuch as this is possible, that we can do it. it is the direct duty of this House to do everything it can not only towards the raising of the revenues but in regard to the method to be adopted for the raising of the revenues, and to assist in the gradual process of deflation which is so greatly to be desired.

The hon. member for Beauce (Mr. Béland) says I am dodging the question. Why? The question of the cent and a half a yard on ribbon is something that can only be dealt with by treating it in the way the hon. member for South Renfrew (Mr. Pedlow) desired it should be dealt with. It so happens that I agree with the hon. member for Beauce that cheap grades of ribbon should get recognition and that it should not be necessary for the merchant to make a deduction, or a collection, of a cent, or a cent and a half, per yard on ribbon sold. Boots and shoes certainly are necessities. My hon. friend from Beauce has made an argument in connection with boots of a character which would be entirely unnecessary in view of the changes to be made. Clothing and the different articles which go to make up coats and the usual attire are also essentials. Representations have been made by manufacturers of boots and clothing, by wholesalers and by retailers. The retailers do not at all occupy any individual position here. They are not objecting any more fiercely or any more strongly than are the manufacturers or the wholesalers. The objections are general, there is no question about that, so far as all these classes of people are concerned.

An hon. MEMBER: Sure.

Sir HENRY DRAYTON: An hon. member says, "Sure." He will not find the same objection from the man who, during the last two weeks, has been able for $8.50 to buy a shoe that formerly cost him $12 or $16, or the man who gets for $45 a suit for which he formerly had to pay $60. There has been a lot of talk about the Budget. It has been described by hon. gentlemen opposite as a Budget of the Interests, and not a Budget of the poor people or for the poor people. I would like them to have been around when the gentlemen whom they describe as "the Interests" were making their representations as they have been for the last three weeks. Then they would at least know that they are entirely wrong, or that the manufacturers and the wholesalers—"the Interests" that they from time to time talk about—did not know their business.

Mr. COPP: I would like the minister to inform the House where he can buy for $8.50 a pair of shoes that formerly cost $12.

Sir HENRY DRAYTON: Yes, at Gales', here in Ottawa.

Mr. COPP: I am glad to get this information.

Sir HENRY DRAYTON: I should not single out that firm—

Mr. COPP: I am glad to know there is one place.

Sir HENRY DRAYTON: You will find that condition all over.

Mr. COPP: There will be a run on the market.

Mr. BELAND: What assurance has the minister that $12 shoes have been reduced to $8.50?

Mr. NESBITT: If the minister will allow me to answer I will give the hon. member an instance. I have a young lady—

Some hon. MEMBERS: Oh, oh.

Mr. NESBITT: What's the matter with you fellows over there?

Mr. LAPOINTE: There is nothing the matter with us.

Mr. BELAND: All the matter is with you.

The CHAIRMAN: Order.

Mr. NESBITT: The trouble with you people is that you have young ladies in a different manner to what I have.

Some hon. MEMBERS: Order.

Mr. NESBITT: That's not so funny is it?

Mr. LAPOINTE: Do you buy boots for her?

Mr. NESBITT: I know a young lady who bought a pair of boots in Toronto for $12. They did not fit her and she sent them back. It happened that the Budget came down in the interval and she bought exactly the same kind of boots, only of a different size, for $8.75.

Mr. PEDLOW: I would like to correct a wrong impression that might be left on the House and the country. It is absolutely unfair to the retail trade of this country, and I speak advisedly on this subject—

Sir HENRY DRAYTON: Order, this is not asking me a question. I would like the floor if the hon. member pleases.

Mr. BEST: The statement to which the hon. member has referred is absolutely true. The hon. member need not deny it, because everybody knows it is a fact.

[Mr. Copp.]

Mr. LAPOINTE: Order.

Sir HENRY DRAYTON: I do not think that any attack should be levelled at the retailers; they do not deserve it. I am not making any attack on them; I am saying that prices have come down, and we all know it to be true.

An hon. MEMBER: Oh, no.

Sir HENRY DRAYTON: I am not saying that prices are going to stay down permanently; I am not saying that the goods can be reproduced at the same price; all that I am saying is that prices have come down.

An hon. MEMBER: That is merely to evade the tax.

Sir HENRY DRAYTON: Representations have been made in connection with clothing and boots and shoes, and I admit that clothing and boots and shoes do occupy a position different from that occupied by many of the articles mentioned in the resolutions. I think also that is quite clear to hon. gentlemen; and I am quite sure that as a whole they are just as anxious as any one could be to reduce the high cost of living. I am sure that they would agree that a low figure over which taxes would be charged is something which would at least tend to bring down the cost. It at least affords an incentive to manufacturers and merchants to try and get hold of an article which can be sold without tax; to try and get hold of an article which, while lacking perhaps in refinements of style, will at least be a proper and serviceable article. I think that is something we would all agree about. If we do not I really think we ought to because, after all, it is only common sense. Now it will take a little while to do that but when you have your figure fixed as a goal for merchants to strive to reach, you are getting a good long way towards that goal. So that I think hon. gentlemen will agree that a large raise in the minimum prices that have now been proposed is really against true public interest however greatly it may be desired by those directly interested in the business. I am not blaming them for it; it is their businesss; they are perfectly right in taking the stand that they do; but I do not think it is a matter in the general public interest—that is, if we are serious in what we are always saying from time to time, that the cost of commodities is excessive and that prices are extortionate. Now, on the other hand, while it may

well be that the limit ought not to be greatly increased, other representations are made. These representations are to the effect that, at present, at any rate, it would be impossible, after the first flurry is over and the goods that are now selling at lower prices have been sold, to maintain those prices; that it will mean that the better class of goods will disappear and cheaper—and in some instances shoddy—goods will take their place; and that the two objects that we ought to have in view can be obtained if, instead of charging ten per cent on the whole cost by way of a tax, that a rate should be charged upon the excess value, that is, on the difference between the minimum set and the actual sales price. For example a pair of boots, instead of being sold for $9 is sold for $12. Well, the suggestion is that the tax should be calculated on the $3 of excess instead of on the whole $12. The same idea runs through the regular clothing list. I should not say the "regular clothing list," because there are some articles of clothing which are entirely accessories and in the purchase of which a man may be extravagant or not just as he pleases. But the idea runs through the ordinary clothing list, that is, suits, coats and the like, and the suggestion I desire to make to the committee, Mr. Chairman, is that having in mind the principles I have mentioned there should be a modification of the tax on boots, clothing—including trousers, coats, overcoats, waistscoats, waists, dresses, women's and misses' skirts separate from dresses, suits and women's coats. In connection with boots, the special kinds which are necessary in lumbering, mining, river driving, and other work of a similar character are to be taken care of, because it was never intended to put a special tax on the boots that lumbermen and others have to equip themselves with in connection with their work. Therefore it is proposed that there shall be a tax of 15 per cent on boots, shoes, pumps and slippers of any material (not including shoes or appliances made to order for persons having a crippled or deformed foot or ankle, or top-boots of less than twelve inches in height, such as are used in lumbering, mining and fishing industries, or river driving boots fitted with caulks on the soles thereof in excess of $9 per pair.

Mr. PROULX: And surveyors' boots?

Sir HENRY DRAYTON: They would come within the same category I should think.

Mr. CLARK (Red Deer): Will my hon. friend exempt cripples' boots?

Sir HENRY DRAYTON: They are still exempted.

Mr. CLARK (Red Deer): Are the profiteers always crippled?

Sir HENRY DRAYTON: Well, the present process is descriped by some as crippling them very severely, so much so that they say they will not be able to carry on business in the near future with any profit. I do not know whether that it so or not, but if it is any satisfaction to my hon. friend I am very glad indeed to give him the information.

Then trousers, sold separately from suits, in excess of $12 per pair; coats, men's and boys', sold separately from suits, (not including leather coats lined with sheepskin) in excess of $25 each; cloth overcoats, men's and boys', women's and misses', in excess of $50 each; waistcoats, men's sold separately from suits, in excess of $5 each; dresses, women's and misses' (except silk) in excess of $45 each; skirts separate from dresses, (except silk), in excess of $15; suits, women's and misses' (except silk) in excess of $60 each; coats, women's and misses', sold separately from suits (except silk) in excess of $35 each. Hon. members will see that we have included in that list practically everything which would fall within the general description I was dealing with before, that is absolutely essential articles of clothing, in so far as suits, coats, boots and the like are concerned, and we reduce the tax from ten per cent on the full cost to fifteen per cent on the excess.

Then there is a further stipulation in connection with that, which was in the original schedule; that on articles of clothing the prices of material and cost of manufacture are to be combined for determining the selling price.

We do not propose any change at all in the tax on articles the purchase of which may be regarded as an extravagance entirely within the control of the purchaser. For example, we do not think it is any hardship for a man to pay a tax on any hat he wants to buy over $5; so we leave on the $5 limit and the tax at ten per cent on the whole amount. Hats, caps, men's socks, neckties, shirts, ladies' hats, ladies' stockings, corsets in excess of $5, kimonas and waists, petticoats,—all these are left just as they were with the exception of what I have pointed out in the suggestion made, because it is entirely a matter of volition

whether a purchaser indulges in an expensive article or not. A good hat can be purchased at less than $5, and if a man wants a cap he can get one for 50 cents or $1, unless he wants a fancy one—and I admit they are chiefly of that class—and then he should be able to get a good one at $2.

Walking sticks were not covered before while umbrellas were, and I am quite sure that hon. gentlemen will agree that they should be included.

Mr. CLARK (Red Deer): Does my honourable friend mean to include walking sticks?

Sir HENRY DRAYTON: Walking sticks are now in. We propose also a change in an important item, having regard to representations made, particularly from the West. The original resolution put a limit of $100 on the cost of fur coats, and I am frank to admit that that limitation was entirely too low—not too low as prices were at the time I bought the coonskin coat I still have, and which I think is a pretty good coat, but I find that I could not replace it to-day at anything like the price I paid some years ago. So it has been determined to double the minimum on fur coats and make it $200. That action is taken in view of the necessities of the climate and the way in which the cost of furs has gone up,—although I am very glad to be in a position to inform hon. gentlemen that furs will be coming down in price very soon.

Mr. COPP: What is the tax on the excess?

Sir HENRY DRAYTON: It is ten per cent on the total amount. You can get a good coat for $200.

Mr. CRERAR: Has my hon. friend made any distinction between men's and women's fur coats?

Sir HENRY DRAYTON: No, we have made no distinction. There is a less amount of fur in the ladies' coat, but I admit there is generally more style.

Mr. CLARK (Red Deer): On this question of clothing, will the Finance Minister let us off being taxed by night? I notice he has a tax on night-gowns and night-shirts. If we are taxed by day, that is quite sufficient

Sir HENRY DRAYTON: I am quite sure the patriotism of the hon. gentleman is such that he would like to pay taxes, though sleeping. In the same way we should increase the price of driving gloves, winter gloves. We have raised that to $15. We have raised the price of fur caps to $15. We have made the price of muffs and neckpieces to $35, and the price of robes and rugs, $50.

Mr. NESBITT: The minister said "gloves". Does he mean fur gloves?

Sir HENRY DRAYTON: Fur gloves.

Mr. McKENZIE: It would be unreasonable for the minister to expect the committee to pass the resolutions with the changes that he is making. The resolutions are being changed almost in every particular; for myself I cannot hear what the minister is saying, and I do not know what the changes are. The resolutions should be recast and reprinted and distributed as amended amongst the members. Then we shall have a few hours to look over them so as to see what the changes are. I can assure the minister that he will make no progress if he continues in that manner of putting the matter before the committee.

Sir HENRY DRAYTON: I had not for one moment the slightest thought or expectation of asking hon. gentlemen to pass these resolutions to-night. I am desirous of giving the fullest information I can at the earliest possible minute. Perhaps it will be sufficient to put these changes on Hansard, but I shall have much pleasure in bringing down a reprint, as the hon. member suggests, giving a new schedule for the guidance of hon. members. It is advisable to do that because, as I have told hon. gentlemen, we want constructive suggestions. It may be we are not getting all the money we should get; it may be we have left out something we should put in, and I am quite sure hon. gentlemen desire to assist the country at the present time and will be fruitful of constructive suggestions, looking towards larger revenues. This list may help them in that regard.

Mr. CRERAR: Has the minister's department made any estimate of the amount of money that will likely be secured under these taxes? That is a matter of very much concern to the House and to the country. These taxes are new ones entirely, and while I sympathize fully with the aim of the minister in securing as much money as possible, I cannot, by any means, agree with the argument he has made in support of this resolution. I certainly commend him for inviting constructive suggestions from the committee. While I am on my feet, I might state that I have had personally many protests against the application

of this tax, particularly the proposals to make country and retail merchants throughout Canada tax collectors for the Government. I might cite one case particularly that comes to my mind at the present time.

Sir HENRY DRAYTON: I gave way to my hon. friend as I thought he wanted to ask me a question.

Mr. CRERAR: I beg my hon. friend's pardon; I thought he was through.

Sir HENRY DRAYTON: No, I have only commenced. In answer to the question of my hon. friend as to the revenue, my hon. friend will see at once that, as regards the great bulk of these luxury taxes, if we get saving instead of extravagance, if expenditure is curbed, we are not going to have a very great amount of money raised. On the other hand, if the people continue to spend in the way they have been doing in the past, these luxury taxes will be very productive, but it is guess work to say what will happen..

Mr. CRERAR: Quite a reputable business man, in whose judgment I have considerable confidence, stated to me that he had estimated that these taxes would bring into the treasury at least $300,000,000. Does the minister agree with that?

Sir HENRY DRAYTON: No, I do not agree with that at all. I think that is very much higher than anything we can hope for. Knitted sweaters and knitted sweater coats were not included in the original resolution, and at the appropriate time I am going to ask leave of the House to introduce a resolution covering them.

Mr. LOGGIE: Before the minister proceeds, may I ask him a question? In his list, I understood he did not include leather coats used by woodsmen. I should like to remind the minister that the coats commonly used by woodsmen are known as mackinaw coats. Is it not the intention to exempt that class of garments from taxation as well as leather coats? The leather coat is much more expensive than the mackinaw coat, but the latter is much more commonly used by woodsmen.

Sir HENRY DRAYTON: That is something that I shall be pleased to take up with my hon. friend.

Mr. CLARK (Red Deer): I do not wish to interrupt my hon. friend, but what is the course we are following in this debate? We come to discuss certain specific proposals which were submitted in the Budget Speech, which were attached in printed schedules to the Budget Speech. Are we listening now merely to alterations which the Government propose to make in those, and are we going to discuss the alterations at a subsequent date, or are we to take the Budget proposals as serious proposals of the Government for Parliament and the people of this country? What are we doing? We have been here for four months; we waited for the Budget; we have it, and we have it in printed shape. Now the minister is giving us a whole list of alterations in detail. We have not yet settled, as regards committee discussion, the principles of this legislation. Are we listening to a set of alterations upon which we have to recast all the legislation at a future date? I should like to know what the procedure is that we are embarked upon, and I think I am in perfect order in asking that question.

Sir HENRY DRAYTON: I hasten to assure my hon. friend that the Budget is not a joke and that anything that has been done has been done merely to relieve cases where it is thought that a proper case has been made out for relief; that the further changes —and there are not many—are made to include articles of luxury which ought to have been included in the first resolution and which were omitted; that there is no change whatever in the principle of the Budget, which is a tax on expenditure, most of which is avoidable. What we are doing now is this: I have asked for suggestions, and I still think it is a proper thing to do in connection with new and novel legislation to ask hon. gentlemen for constructive suggestions. If I am wrong, then that kind of suggestion is altogether wrong, and all the minister should come down to Parliament for is to logroll something through irrespective of what hon. gentlemen may be able to add to his information or lack of information on the subject. Further, what I am doing is endeavouring to answer a perfectly proper question put by the hon. member for South Renfrew (Mr. Pedlow) and I intend to proceed to answer that question.

We also propose a modification in connection with games and sports. What we propose to do there is to make a concession in the matter of popular games, such as baseball, lacrosse, hockey and football. We are removing these from the list of commodities subject to the general tax, but a price limit is being applied, so that if any one wants to get anything particularly fancy in connection with these games, some payment by way of taxation will have to be made.

Mr. EULER: Is the minister making an exception of baseball supplies?

Sir HENRY DRAYTON: Yes.

An hon. MEMBER: What about skates?

Sir HENRY DRAYTON: Baseball bats and baseballs will be exempt up to $1.25 each; baseball mitts and gloves up to $1.50; skates—here I am thinking of children's skates, not of expensive skates used by adults—up to $2; footballs—again, the kind used more particularly by children—up to $3; lacrosse sticks up to $1.50; hockey sticks up to 75 cents. Then, an addition is proposed so far as clocks and watches are concerned; that is one of the things referred to in connection with which there is a certain amount of extravagance, which was not mentioned in the original proposals. Then, a limitation is proposed in connection with velvets, velveteens, etc. We find that a lot of material is cheap in price; that it is used largely by people of small means, and that it is not entirely a luxury. We have fixed a price in that respect; instead of making the whole of these articles taxable we merely say that velvets, velveteens, plush and silk fabrics, selling at a price in excess of $2 a yard, shall be taxable. Then, instead of all lace and braid being taxable, we say that only lace and braid in excess of 25 cents a yard shall be taxable, and ribbon in excess of 50 cents a yard.

A great many representations have been made in connection with carpets. We have had a fairly thorough investigation made since the Budget was brought down as to the cost of carpet materials, the actual cost of manufacture and the actual prices paid, and we propose to double the minimum in that case. The former figure was $3 a yard, we now propose to make that figure $6.

Mr. EULER: Is the minister abandoning entirely the principle enunciated in the Budget Speech that the tax is to be on the whole price of the article, and providing that it shall be only on amounts in excess of certain figures?

Sir HENRY DRAYTON: The tax there is to be on the whole price of the article.

Mr. EULER: In only one or two instances are the taxes to be paid on the excess only?

Sir HENRY DRAYTON: Just in the few instances that I have mentioned.

Mr. CLARK (Red Deer): In cases where purchasers have already paid taxes on the whole purchase price of some of these articles, will there be a possibility of getting a refund?

[Sir Henry Drayton.]

Sir HENRY DRAYTON: I hope that they will all be refunded; we will see to that if we can. Then, the same reasons which led us to increase the minimum in respect of carpets have led us also to decrease the tax on oriental rugs to 15 per cent.

There was nothing in the original resolutions with regard to extravagant furniture. The suggestion made in that regard is as follows:

A tax of 15 per cent on all antique furniture, of walnut, mahogany, rosewood, ebony, primavera, or oak; carved ebony or teak wood and lacquered furniture; all furniture finished in gold leaf, verni martin or with ornamental or expensive inlay such as mother of pearl or hand-painted decorations. All tables made specially for cards, checkers, chess or other games; all liquor cabinets, smokers' cabinets, tea-wagons, sewing cabinets, work tables, piano lamps or stands, table lamps or stands, ferneries jardinieres, pedestals and bric-a-brac made of rosewood, primavera, solid mahogany or ebony, or lacquered or decorated.

You will see that all the cheap forms of furniture in that list are left out; only upon the expensive woods is there any tax.

Mr. DOUGLAS (Strathcona): Will that apply to auction sales?

Sir HENRY DRAYTON: The resolutions are not drawn to apply to auction sales. Perhaps that is something that we should cover.

Mr. BELAND: Do I understand that the tax will apply to veneered furniture of rosewood, mahogany, and so on?

Sir HENRY DRAYTON: I should think it would depend upon how much rosewood, and so on, there was in it. Personally I think that expensive veneered furniture ought to be included. Any one who can afford to buy a rosewood table, whether it is veneered or solid, ought to pay the tax.

Then another thing was changed. We had no tax on expensive china and crockery; such a tax is now proposed.

Mr. CASGRAIN: Our suggestion.

Sir HENRY DRAYTON: The hon. member will see that we are serious in asking for suggestions; I hope that hon. gentlemen opposite are as serious in making them as we are in adopting them.

Mr. CASGRAIN: We want to get credit for it.

Sir HENRY DRAYTON: There are other minor changes, but I have said enough to answer the question of the hon. member for

South Renfrew, and to make it perfectly clear that we are sincere in asking for suggestions and in our desire to meet any difficulties that have arisen.

Mr. RINFRET: May I ask the minister whether this new Budget, if I may call it so, is to take effect immediately, as is usual with Budget resolutions, or only when a Bill with regard thereto is introduced and passed? Or will these taxes be retroactive? I am simply asking for information.

Sir HENRY DRAYTON: I do not think we can make them retroactive. So far as any new things are concerned—and there are not very many—I take it that they will become effective upon a measure in regard thereto being introduced in the House.

Mr. BELAND: To-morrow these changes now proposed will be in force throughout the country?

Sir HENRY DRAYTON: No.

Mr. BELAND: By what are the retail merchants thoughout the country to be guided to-morrow?

Sir HENRY DRAYTON: By the resolutions already tabled.

Mr. BELAND: How are retailers in general to know what these resolutions are?

Sir HENRY DRAYTON: Through the public press; it is quite impossible to get information to every retailer in any other way.

There is no idea of being unfair with anybody; just as soon as we get our resolutions confirmed we intend to issue regulations of the plainest possible character so that every one will understand exactly what the position is. We ought not to be unfair to any one. We desire to be more than fair to everybody, but at the same time we ought to be very vigilant to punish direct cases of deception.

Mr. BEST: I understood that the question before the committee was whether the taxes should be collected through the retailer or through the wholesaler. I hope we shall have that question settled to-night. I do not see what that has to do with the different levies that are to be put on the various articles. I believe that the minister is making an honest effort to raise as much revenue as possible with a minimum of injury to the poor and middle classes, and I will say, having gone home and travelled on the trains, and having been in a few towns, I am satisfied that there has not been any measure in the last five years that has done as much to reduce the cost of living as the present Budget. When hon. gentlemen opposite say that boots and shoes and clothing have not been reduced since the Budget was brought down I think they are making a great mistake. Retailers have told me that the boots which previously sold at $10 have gone down to $7.50 and those which sold for $12 are now selling at $9. I am now wearing a pair of boots—I am not talking about ladies' shoes—to my personal knowledge they were selling before at $10, and I paid $7.50 for them. I believe that many of the retailers throughout the country have been charging too much, and this will be the means of bringing down prices. I think that the majority of the retailers of Canada are honest; of course, there are a few exceptions, and I do not want to see anything done that will make the honest merchant dishonest; there are a few dishonest ones in different places. Let me give an example of what I am afraid may happen if the taxes are collected through the retailer. A purchaser went into a store in our own village to buy a suit of clothes. The merchant asked $50 and the customer was perfectly satisfied, but the moment he was told that there was a government tax of $5 on the suit he refused to take it. He went to another store and bought a suit of clothes but did not pay the percentage. That honest merchant that tried to carry out the law to the letter was losing a customer and there was a temptation for him to do with his other customers just as the other merchant had done. I am told that a merchant in this city, when a lady went to buy a pair of boots for $12, informed her that the tax amounted to $1.20 and upon her refusing to take the boots he said that he would fix the matter. He gave her a bill for one pair of boots at $8 and a bill for another pair at $4, thereby defeating the Government. I realize that there are millions of dollars of goods in the retailers' hands throughout Canada to-day, but I believe that if the tax were put on the wholesaler and the manufacturer, at the end of twelve months the Government would have received very much more revenue than they would by putting it on the retailer. I asked a shoe manufacturer last week how many customers he had and he told me he had between twelve hundred and thirteen hundred. Just imagine thirteen hundred retailers sending in little statements to the Government every two weeks, and you will realize the objection to this method of collecting the tax. On

the other hand, if it were put on the wholesaler there would be only one man sending in reports. As an hon. gentleman opposite pointed out, a merchant selling a yard of ribbon would have to make out a statement for 1½ cents to be sent in to the Government, and you would have thousands of merchants all over Canada sending in statements ranging from a few cents to a few dollars every two weeks. I do not know how many civil servants it will take if the retailers have to collect these taxes.

Mr. BELAND: One for every store.

Mr. BEST: Here at Ottawa we have an army of civil servants now and I understand that some committee is to be appointed to reduce their number, but I firmly believe that it would double the number of civil servants to carry on the business if the tax were collected through the retailers. Merchants tell me,—and I believe it is true—that while they are making an honest effort to carry out the law as well as they possibly can, there are very many, as has been stated on the other side, who will have to pay a bookkeeper from $1,000 to $1,500 a year, and there are many small merchants throughout Canada to-day who cannot afford to do that. If they had to employ such expensive assistance it would injure their business, and in the long run the consumer would have to pay. I do not say for a moment that for the wholesaler the minimum price of boots to come under the tax should be $9, because the retailer would probably sell them for $12 or $14. But if the retailer is called upon to collect a tax on boots that he now sells at $10, the limit should be reduced in the case of the wholesaler or manufacturer to $6, and in regard to clothes, if a suit of clothes were put at $27 or $30 for the wholesaler it would about even up with the price of $45 which the retailer charges. We would get very much more money in that way, and I believe that is the only proper method of collecting the taxes. The minister has said that all the people are willing to pay their share of taxes. I want to tell him that about eighty or ninety per cent of the people of Canada are willing to pay when the law makes them, and not until then. If a merchant asks them $50 for a suit of clothes they are willing to pay, but the moment he tells them that there is a tax of $5 on it they refuse to buy it. If they were asked $55 for the same clothes and there were no mention about taxes they would say not a word. All the merchants to whom I have spoken are ready to stand by the law but they all are of the opinion that the tax should be collected through the wholesaler or manufacturer instead of through the retailer. I hope the Government will see its way clear to adopt this method and that we shall not have an army of officials kept here to keep track of all the accounts coming in. The hon. member for Red Deer complained of the taxes put upon the poor. I say that if a man in fair circumstances wants to wear a pair of boots that cost over $9 he should pay the tax. You go along the streets in Ottawa and you will see suits of clothes displayed at $45 that are good enough for any man to wear, and I do not think that the limit should be raised at all. I think it is all right as it is. But the method of collecting the taxes should be as I suggest? We would then go back to the English method of paying an inland revenue tax in place of having protection.

Mr. LOGGIE: There are two, and only two, ways in which we can collect the taxes. One way has been supported by the hon. gentleman (Mr. Best) who has just taken his seat. If luxuries are imported you can put a luxury tax on them and pay through the custom house. Then they just collect from the consumer through the ordinary channels. The excise tax may be placed on a luxury of domestic make and it also is collected through the ordinary channels.

I want to say a word in favour of the position of the minister. If I import goods that come under the luxury tax of ten per cent on which I have to pay $1,000, that $1,000 is locked up goods on the shelves of my store, and when I sell these goods to the consuming public I get a profit on my $1,000. I cannot afford to wait for six months to turn those goods into cash unless I make a profit on my $1,000. By that method of collecting the tax the consumer must necessarily pay a profit on what the Government receives in the way of taxation. The object of introducing the mode of taxation that the minister proposes is to free the customer from the necessity of paying a profit on the tax. If I import the same value of luxury goods as in the other case, put them on my shelves and sell only fifty per cent of them within a year, I do not have to invest in the luxury tax until I sell the goods, and therefore I can afford to collect the tax for the Government without any extra profit because I have not made any investment in the meantime. But if I make an investment

it is certainly reasonable that I should get a decent profit on the money invested. There is a distinct advantage in the proposal of the minister.

Another object of collecting the tax in the manner the minister proposes is that you impress upon the buying public that if they buy an expensive article, something we will say that some rich person can purchase, they are paying a direct luxury tax to help to defray the war expenditure. You are impressing upon the people the importance of buying less expensive goods and so reducing the use of goods which are called luxuries.

To me, Mr. Chairman, there are but two ways of collecting these taxes. If I were asked which of the two I would prefer to avoid friction, I would say by all means collect them through the custom house on imports and by excise from the manufacturer. But that must increase the cost to the consumer and the minister has told us that that is the reason for introducing the resolution to provide that they shall be collected in the manner that he suggests. For that reason I feel I ought to support the minister in his proposition in the interest of the consuming public.

I want also to congratulate the minister on the changes he has made regarding clothing and boots and shoes. He now proposes to collect the tax on the amount in excess of the price named. While I have said that much, I want to draw the minister's attention to another phase of that question. You must remember we have what I would call two classes of manufacturers supplying the people of Canada with clothing. First of all you have the wholesale clothing manufacturers the bulk of whom make up a cheaper class of goods than perhaps the ordinary man in this Chamber wears. Then we have the other class of manufacturers known as the tailoring class. It strikes me that the tailoring class are hit to some extent in the resolution before the House. The manufacturing class will not come in for any tax whatever whereas the customs tailoring class. Let me read a statement showing what was done in the United States regarding the luxury tax on tailored garments:

SPRINGFIELD, ILL., May 21.

To C. B. LOWE,
Chairman of practical work,
Merchant Tailors Association of Halifax,
Halifax, N.S.

Merchant tailors pay no luxury tax on any thing they produce, except fancy vests, sold as such over five dollars. The original Bill in Congress provided a ten per cent tax on suits over fifty dollars, but by presenting our case in Congress, it was stricken out as it was proved that tailors clothes was not a luxury.

L. A. DANNER,
Secretary.
The Merchants Tailors Designers' Association of America.

Mr. BUREAU: Is the maker of clothes to determine whether they are a luxury or not? He says they are not a luxury because they are made by him. Does the hon. gentleman mean to say that the wholesale clothier who makes a suit of clothes for $50 is manufacturing a luxury while the tailor is not?

Mr. LOGGIE: I was simply stating what this writer representing the tailor's association alleged.

Mr. BUREAU: The writer is off.

Mr. LOGGIE: I am not raising the question personally; I am only drawing the attention of the minister to the fact that this class of garments was taxable on the proposals before the American Congress but that as a result of the representations which were made, clothing made by tailors does not come under the luxury tax at all. It is just a question with me whether it is wise to have men's clothing come within this class. However, the minister has made the proposal that we have only to pay on the excess over the minimum price named and therefore I do not think there will be the same feeling throughout the country regarding this tax as there was. I have not very much objection to it, and if we are to have a tax I do not see how we can do any better than collect it in the manner the minister proposes. Unless we are prepared to pay the distributing house or retailer a profit on his investment, surely there is no better way, because no investment is made until the purchaser buys the article and pays the tax. The retailer is out no money. When he receives the money he puts it to credit in his day-book, and pays it over to the department either every two weeks or every month.

Mr. BEST: What actual difference is there between the retailer holding that over and the purchaser paying the duty? When a purchaser buys goods and is required to pay the duty on them he has to pay that money down. In the case of the retailer he pays the percentage and must wait until he sells to get a return.

Mr. LOGGIE: I quite agree with the hon. gentleman, but he must remember that any merchant who pays the duty and waits for

his money must get it back with profit from the consuming public. The duty is collected in this way, as I understand it, to avoid that profit.

Now, Mr. Chairman, I want to speak for a moment or two on the item:

Articles commonly or commercially known as jewellery, whether real or imitation, for personal use or for adornment of the person.

I have a letter here from one of my constituents who lives in a small town containing a population of not less than a thousand people, and he puts the matter in this way:

To single out the jewellery trade for destruction is surely not a policy that you will endorse. The effect of the new taxation will be to drive purchasers of high-class jewellery to United States, where the tax is ony five per cent and where jewellery can be purchased more cheaply than in Canada.

I do not know what the luxury tax on jewellery in the United States is, but I do know that very much of the cheap jewellery that is sold in the country stores in Canada is imported from the adjoining republic under a fairly high ad valorem duty, and it does seem to me a very extreme rate to impose twenty per cent on top of that. I do think the minister might very well reconsider that rate.

Mr. BUREAU: That is a luxury, a superluxury.

Mr. LOGGIE: If you buy a fifteen or twenty per cent brooch, or cuff link, or something of that nature, it is not much of a luxury.

An hon. MEMBER: What about an engagement ring?

Mr. LOGGIE: If you buy an engagement ring it is a different matter.

Mr. BUREAU: Tin is good enough these days.

Mr. LOGGIE: I respectfully ask the minister to reconsider the rate he proposes charging on cheap jewellery. I have already explained that in the United States the rate is only five per cent. I have also explained that on most of the American-made jewellry that is bought in this country there is a stiff ad valorem duty. It seems to me that these articles are essential and the tax proposed here is increasing the cost of living unduly. I therefore hope the minister will reconsider the rate of duty imposed on cheap jewellery. With that hope I have put the matter frankly and fairly before him on behalf of my people.

[Mr. Loggie.]

Mr. CAHILL: I wish to make some suggestions to the minister and to ask him a question, seeing that he has asked for suggestions. First I would suggest that he have the schedule embodied in Hansard in the form in which he now has it so that it will be available in the morning for distribution to the members. My question is what will be the tax to-morrow to the retailers? The minister proposes, under this new regulation, to tax only the surplus above a certain price, that is ten per cent on anything above $9. The regulations, apparently, are now being changed. That being so, I would like the minister to make it clear what the change is. The minister has asked for suggestions as to the possibility of getting taxes and reducing the high cost of living. I can make one suggestion to him that I think will appeal to the majority of the people throughout Canada. In order to reduce the high cost of living and lower the cost of clothing and shoes I would take the tariff off. If the minister is not willing to do that let him reduce the duty very materially. Then, in order to obtain revenue, I would tax the wealthy people instead of the poor. It is time the wealthy were paying their due share.

The CHAIRMAN: I must remind the hon. member that he must not now enter upon a Budget debate and that the discussion must be strictly relevant to the resolution unuder consideration.

Mr. CAHILL: Can you tell me what resolution, together with amendments, is under consideration.

The CHAIRMAN: The resolution with amendments under consideration is a resolution to amend the Special War Revenue Act of 1915, and to impose certain excise or sales taxes on certain goods.

Mr. CAHILL: The minister asked for suggestions, Mr. Chairman.

The CHAIRMAN: If the suggestions deal with the method of collection or any change in the amount of the taxes, or anything relevant to the resolution, they would be in order, but to enter into a tariff debate would surely not be permissible.

Mr. BUREAU: Here are the resolutions.

Some hon. MEMBERS: Order.

Mr. CAHILL: I am only following strictly along the lines pursued by the minister. He has already included in these proposed resolutions new forms of taxation, and he has asked for suggestions regarding

them. I am simply complying with his request. When I said that it was time to tax the rich I merely wanted to point to my hon. friend what he and the Government already know. That is, that $1,300,000,000 of tax-exempt bonds were placed in the hands of the friends of the Government whereas the man who is buying his clothing and shoes is not exempted from taxation in any way.

Sir HENRY DRAYTON: I can hardly think that the hon. member is serious in what he says. His remarks, of course, are made for a purpose. He says that tax-exempt bonds were distributed among the friends of the Government. He knows, and knows very well, that one of the greatest aids in carrying on and in financing Canada's part in the war was the aid which was given by people irrespective of position and irrespective of taxes, and that one of the best—

Mr. CAHILL: In reply to the minister, let me say—

Some hon. MEMBERS: Order.

Mr. CAHILL: Well, the minister interrupted me.

Some hon. MEMBERS: Order.

Mr. CAHILL: I think I have the right to ask the minister a question.

The CHAIRMAN: I must point out that only one hon. member can be in possession of the floor at one time. The minister has the floor and unless he is willing to make way for the hon. member for Pontiac (Mr. Cahill) the latter has no right to interrupt, not even for the purpose of putting a question.

Sir HENRY DRAYTON: I am inclined to think that both the hon. member and myself were out of order. I think his remark was entirely out of order, and my reply probably was also out of order; but I suppose that a remark out of order sometimes merits a reply, although only a partial one at that. Now, in connection with the question my hon. friend raises, we cannot of course to-night change the resolutions, and this discussion does not in any way affect the rate of taxation.

Mr. CAHILL: It only confuses it.

Sir HENRY DRAYTON: I do not think so. I will make it as clear as my hon. friend likes, Mr. Chairman. If he does not think what I have said is quite clear, let me repeat it: Nothing we have done to-night changes the present situation. I think my hon. friend's suggestion that the list of changes mentioned should be given to Hansard to-night is excellent, and in view of that suggestion, and my previous determination, that will be done.

Perhaps I should make a further suggestion in view of the statement made by the hon. member for Cape Breton (Mr. McKenzie), that some time should be given for considering the proposed amendments. I would suggest that hon. members should have to-morrow for the purpose of looking over the list which will appear in to-day's Hansard, and that the resolutions be taken up again at eight o'clock to-morrow night. In the meantime I move that the committee rise and report progress.

Mr. FIELDING: I hope the hon. gentleman will not press his motion.

Sir HENRY DRAYTON: Not at all.

Mr. EDWARDS: I have waited for some time in the hope that I might avail myself of the privilege so kindly afforded by the Finance Minister to make a few suggestions. He has gone pretty well over the list. I merely wish to ask him to give consideration to the item in regard to the proposed tax of 20 per cent upon "mechanical piano-players, graphophones, phonographs, talking machines, music boxes and records used in connection therewith or with any musical instrument." That is double the tax on pianos, and it is regardless of price. I think the hon. minister might very well take into consideration the fixing of a price above which these phonographs would be taxed. After all, the phonograph is the poor man's musical instrument, and there is a great deal to be said on behalf of it as an educative influence. I do not ask that these instruments be exempted entirely; but the cheaper instruments, it seems to me, might be exempted from taxation, and, following out the principle laid down in other cases, a tax might be imposed on the very high-priced instruments, because phonographs can be bought at as high a price as pianos.

Mr. FIELDING: I would like to offer one or two suggestions to the minister and, perhaps, ask a question before the committee rises. First, let me say that I have a degree of sympathy that I am afraid the committee may not have with the view expressed by the hon. member for Northumberland (Mr. Loggie) in regard to jewelry. In a sense jewelry is a luxury. We might ask: Why do people want jewelry at all? But I think there are degrees of luxury, and

I am going to suggest for the consideration of the Minister of Finance whether he might not properly make a distinction between different classes of jewelry. There is a cheap class of jewelry which lends itself to personal adornment, and I do not think it should be deemed an extravagance if the young ladies of Canada want to adorn their beauty—although beauty unadorned is adorned the most—but if they see fit to add to their charms with a bit of inexpensive jewelry, I do not think we should regard it as a crime. It seems to me that the minister might very properly make a distinction between the several classes of jewelry. Jewelry of an elaborate character is unquestionably a luxury, but jewelry of a simple character is certainly not a luxury. I would ask my hon. friend: Is a wedding ring a luxury?

Sir HENRY DRAYTON: I would say, "No',' at once to that question.

An hon. MEMBER: Sometimes it is.

Mr. FIELDING: Then I hope my hon. friend will draw the line between the two classes. Make expensive necklaces dutiable, but distinguish in favour of the cheaper articles of jewellery. There is another thought in the matter, and that is that a large portion of our trading community are entitled to consideration, and even in the good cause of trying to raise money, although we all ought to appreciate the difficulties the Government has to face, we must be careful that lots of our traders are not driven out of business. All over the country there are scores of people doing a moderate jewellery business, and as the hon. member from Northumberland has pointed out, they have already paid a stiff duty on the importation of their stock; and if we are going to add another stiff duty on the retail price, we are going to make their wares so expensive as practically to ruin their trade. I am not suggesting that jewellery be exempt from taxation, but rather that a distinction should be drawn between the cheaper and the more expensive articles. I think that is worthy of my hon. friend's consideration.

Might I ask a question: If a man sells a ship, does the buyer under this Act pay a tax?

Sir HENRY DRAYTON: I think ships are now exempt.

Mr. FIELDING: If my hon. friend is clear on that point I do not wish to press it further. I have a communication from a shipbuilder who evidently has a different impression. If my hon. friend has given the subject consideration, and says that ships are not to be taxed, I am content.

On the question of the mode of imposing these taxes, the argument advanced by the hon. member for Dufferin (Mr. Best) is enforced very strongly by a resolution, although I do not think it has been presented to the House, passed by la Chambre de Commerce, of Montreal. Let me read it to the committee:

> Whereas it is desirable that taxes be economically and thoroughly collected and with the greatest facilities as to work and control, la Chambre de Commerce respectfully suggests to the Minister of Finance that the taxes on sales by manufacturers, wholesalers or on importations, be levied only at sources: at the Customs for imported articles, and from the manufacturers for domestic goods.

The hon. member for Northumberland has argued against that on the ground that the retailer pays this tax only at the moment the transaction is completed, and that there is a saving of interest in that way. But is there not a danger under the present system—and I am only offering this as a suggestion—that the tax will be paid two or three times? Take, for example, the first item in the list, boots and shoes. The manufacturer sells to the wholesaler, and the tax is paid. The wholesaler certainly is not going to be content to pay that tax without recouping himself, and he will add it to the price he charges the retailer. The retailer, in turn, will pass it on to the consumer, and in that way the tax will be paid two and perhaps three times. There may be strong reasons against this suggestion of the Montreal Chambre de Commerce, but I am bound to say that I have not yet heard them. It seems to me there is very much to be said in favour of imposing the tax at one stage and leaving the rest to be worked out in a natural way. I am only desirous of drawing this to the attention of the minister and I am content to leave it to his judgment.

Mr. PEDLOW: I have been waiting for a considerable length of time to say a few words at this stage of the discussion. Several members made the claim that the Budget is responsible for current retail price reductions. Now, as hon. gentlemen who have spoken on this subject to-night have given their impression of the situation from hearsay evidence, possibly the committee to-night will permit me, as one who has had considerable experience and can speak from inside information on the subject as to the real application of this tax, to say a few words on the matter. These gentlemen

might just as well claim that the price reductions that obtained in the months of November, December and January last were induced by the Budget announcement on the 18th of this month as to claim that the reductions made during the past two- weeks, concurrent with the announcement of the Budget proposals, were made on account of those proposals. Any one who knows even the A, B, C of retail merchandising, either in this country or elsewhere, knows that there are times in the life of any business concern when, for many various reasons, it is absolutely necessary to unload merchandise. This is made necessary from month to month and from year to year. A merchant may be optimistic and his buyers may be even more so than he is. They go to the market months before the merchandise is required for distribution and place their orders. This merchandise is purchased with the idea that the coming season will be normal, and consequently the distribution of merchandise will also be normal. During the past season, no doubt, buyers everywhere purchased merchandise with the expectation of having normal conditions of weather. They bought heavily of a certain kind of boots, a certain kind of ladies suits, dresses, coats and so on, expecting to have a normal season in the months of March, April and the early part of May. I need not remind the committee that we did not have normal weather during those months of this year, and consequently merchants throughout the country were left with stocks loaded on their shelves. As a result of that condition, in order to unload the merchandise before the season had completely passed, they were forced to put that merchandise on their counters at reduced prices. That is the absolute reason for the general price reductions. No doubt there are exceptional cases such as those referred to by the hon. member for North Oxford (Mr. Nesbitt) and the hon. member for Dufferin (Mr. Best). Those exceptional cases are liable to be found at any season of the year and in any year. I do not need to speak from hearsay; I have known of many instances where people in Toronto bought boots at a certain store in the early part of the week and during the subsequent days of the week they found those same boots were advertised at reduced prices for sale on Friday as bargain day. They took the boots back to the store, got their money on Thursday and went back and purchased the boots on Friday at a lower price than they had bought them at earlier in the week. This was not because of any Budget announcement or any influence the Budget exerted on market conditions; these are normal conditions from week to week the year round.

A great deal of discussion has taken place in the press, not only of Canada, but of the United States, on the same subject. Hon. gentlemen who have already referred to this Budget as being responsible for price reductions that have been current during the past two weeks might as well say that the Budget announcement in this Parliament was responsible for price reductions in the United States. For instance, a large concern—I will not mention the name, but it will occur at once to any one who has visited Washington or New York—instituted a horizontal or flat price reduction of 20 per cent on everything contained in their warehouse from the topmost storey down to the basement. I ask hon. gentlemen who have referred to the matter—do they claim that the Budget announcement made in this Parliament last week was responsible for the price reductions in Washington and New York? It is absurd to think of such a thing. Those reductions are the normal, regular, legitimate outcome of market conditions that obtain, and the Budget has no more to do with such price reductions than the man in the moon.

The hon. member for Dufferin (Mr. Best) intimated that in his constituency there were good merchants and bad merchants. I hope the committee will pardon me if I admit the possibility of that; but are there not, in all classes, professions, businesses and callings, good citizens and some bad ones too? That is a contingency that is admitted, and it cannot be avoided in any class of the community.

I do not wish to delay the committee very long at this juncture; but I might remind the committee that the country is at present face to face with an enormous obligation, and the money must be raised to meet that obligation. The Minister of Finance has decided on a certain method of collecting these taxes. It does not meet with my approval and I would suggest some other method, but he is the man in charge of the ship and he is responsible. It is true we can criticise the method, but he has determined to adopt that method and to push it through to a conclusion. I claim, therefore, that it is the duty of this committee to assist him in framing the resolutions and schedules along the best possible workable lines, and I am willing to give him all the information that it is possible for me, with the technical knowledge I possess in that connection, to render.

It has come to a case of "put up or shut up." We have to raise the money, and if the Minister of Finance has decided that that is the best way in which to raise it, we have no alternative but to submit and try it out. We can criticise or object; but I do not think our objections will amount to very much, because the majority behind the minister will carry the proposals in any case. Therefore, it is for us to try to adjust the matter along the best possible lines. I know that, as a matter of fact, the retail merchants of this country are, to a man, willing to help the Government in every possible way, not only in adjusting these schedules, but in collecting the revenue. Doubtless this will mean a large expense on them and on the Government under the method adopted by the minister of collecting the revenue. I should like to persuade him to try another method, but I understand that is impossible. I have here a resolution which was presented to the minister by the Retail Merchants' Association on the 21st May last in the city of Ottawa. I will read just the concluding paragraph which expresses in a nutshell the attitude of the retail merchants of the Dominion. I might add that there were over 200 retail merchants present at Ottawa on the occasion on which this resolution was presented to the minister. The concluding paragraph reads:

> We desire in placing our views before you to say that we fully appreciate the many difficulties under which the Government is labouring, but, as Retail Merchants we desire to offer our services, through our Association, in any manner whatsoever whereby we can give to the Government all the information and assistance that may be required regarding the Retail Trade in Canada.

While preserving the right to criticise schedules when finally printed and presented to the committee, I have very much pleasure in offering whatever assistance I can render to the minister, from my technical and personal knowledge of the matter, in framing and completing the schedules to the satisfaction of the committee and the country.

Mr. COCKSHUTT: The minister stated that he is prepared to receive suggestions, and it seems to me that now is the time to make them, in order that he may take them into consideration between now and to-morrow when he comes down with his new proposals in concrete form.

The most important point that has been raised to-night is that with regard to the means by which this taxation is to be collected. I was a merchant for thirty years, —though I am generally accused of being a bloated manufacturer—and I know a little about merchandise. The suggestion of the member for Algoma East (Mr. Nicholson) should receive serious consideration. The minister will avoid a peck of trouble if instead of collecting this tax from 200,000 merchants in Canada he collects it from the wholesaler, the manufacturer and the jobber. I make that suggestion only as a business man. I want to co-operate with the minister, but I want him to think seriously of what has been suggested in this regard. To collect from the fountain head—the wholesaler, manufacturer and jobber—would be cheaper; would be a more business-like method of procedure, and would bring about actual results within the shortest possible time. Now, it has been intimated that the luxury tax is supposed to have the effect of reducing the cost of living, and that we lose that advantage if we cause it to be paid by the wholesaler, manufacturer or jobber. But if it is going to reduce the cost of living in such a way as to bring the prices down below the figures which are taxable, the minister will not get the revenue that he needs. It has been argued that the imposition of these taxes has brought down the prices of several commodities; if so, these commodities are not going to be reached by this luxury tax. But if the tax is paid by the wholesaler, they will be reached. If, therefore, the Government wants to avoid trouble, if it wants to get the quickest and best results, it should have this tax paid at the fountain head of supply, and paid only once; for if you do not do that you are going to have the tax passed down the line; there will be one, two, or three collections on the same goods if we are not careful. Then, another serious aspect of the matter is the opportunity which exists, under the method of collection as proposed, for avoiding the tax. If there are any dishonourable merchants—though I believe there are very few—there is room for evasion of the tax. For instance, a suit which sells at $45 is taxed, but if the coat is sold to-day and the rest of the suit a week hence, the tax may be avoided. What is the position of the retailer? Twenty-five or fifty per cent of the merchandise sold in Canada is sold on credit; from ten to twenty per cent of it, perhaps more, is sold over the telephone. The retailer becomes responsible for the tax the moment the sale is made. He not only gives credit on his goods; he has to guarantee to the

Government that the tax on those goods is going to be collected. It goes down on his books. Some of it will never be collected. Well then, the result is that the merchant is liable to be out of pocket not only in respect of the goods, but in respect of the tax on the goods. But he is not permitted to put any profit upon the tax, even though it goes on his books and stays there, perhaps, for thirty, sixty or ninety days. I submit that that is not fair to the merchant. When I was in business I gave six months' credit to many farmers; accounts were rarely paid within three months. So that the merchant becomes responsible for the tax whether or not he collects it from the customers. The minister will be well advised to avoid this very serious difficulty.

I have only one or two other suggestions to make. The Brantford merchants have sent me a telegram which is in line with what the minister has proposed,—that is, they ask that the tax be paid on the excess, not on the whole value of the goods; they propose also that the tax be increased in that respect, and that a one per cent tax on all sales be imposed. I do not vouch for the soundness of that suggestion; I do not know whether it is practicable, or even in line with what I have suggested. Then, there is the matter of electric fixtures. The minister has taken into consideration several items that are to be changed. I submit that electric fixtures are a necessity in the homes of workmen in our cities to-day. Surely an electric fixture with two bulbs on it cannot be called a luxury; yet if such a fixture costs $5 there is a 20 per cent tax on it, which adds another dollar to the cost. Having regard to the high cost of building and of all kinds of materials that go into the construction of houses, I ask that the minister consider this matter of electric fixtures. I do not ask him to exempt the fancy chandeliers that cost anywhere from $50 to $1,000, but I do say that the cheap chandelier costing from $5 to $10, that is necessary in every workingman's hou e where electric lighting is used, is not a luxury. The matter of furs should be considered; I believe that the minister is doing something in that regard. I have several protests also with regard to the present proposals affecting jewellery. But all these matters are of minor importance compared with the necessity of devising some better way of collecting these taxes. I repeat that the minister and the Government will be well advised if they have these taxes paid by the wholesaler, manufacturer or jobber.

Mr. BELAND: On no occasion have I listened with greater pleasure and gratification to my hon. friend from Brantford (Mr. Cockshutt) than I have this evening, because I find that for the first time I am able to agree with him on an economic subject. I entirely agree that these taxes should be collected from the wholesale trade. I assure the minister that the criticism that comes from hon. members on this side is criticism of a constructive nature. I have listened with close attention to the statement of the proposed alterations in the resolution submitted a few days ago by the minister. I failed to observe any proposed change with regard to medical supplies for hospitals.

Sir HENRY DRAYTON: There is a change in that respect.

Mr. BELAND: Well, I am glad there is. I know that the minister has received delegations from the hospitals. It would be a great hardship if the cost of medicines to the hospitals were increased by these taxes. Now, I desire to obtain some information in regard to a particular subject. Some people are in the habit of procuring their clothes in a different way from that ordinarily adopted by most people. They buy the cloth separately from a dealer and pay, let us say, $30 for the tweed or whatever it may be. They then pay $20 to a tailor to make the suit, making the total cost $50. I wonder if a man who gets a suit of clothes in that way is subject to taxation and in what manner the minister proposes to collect the tax from him. I should also like to know whether ham and bacon as subject to taxation.

Sir HENRY DRAYTON: They are not taxable; they are foodstuffs.

Mr. BELAND: I ask the question because it was stated in some newspapers that they were taxable, I wondered at the statement, because I knew that all food was supposed to be free from taxation. Now, Mr. Chairman, that is all I propose to say. Let us be short, and sweet if possible.

Mr. BUREAU: Suave.

Mr. NESBITT: Before the Committee rises I want to say a few words with reference to the mode of collection. My hon. friend from Brantford said that the ordinary merchant had to charge to a certain extent the goods he sold and therefore he would have to charge not only the price of the goods but the amount of the duty, and he therefore wanted to collect through the

wholesaler or manufacturer. I should like to know if he would not have to pay the wholesaler or manufacturer the price that he would have to charge, and if he would not have to charge that just the same as though he added it to the price in his store.

Mr. COCKSHUTT: He gets a profit in one case and not in the other.

Mr. NESBITT: My hon. friend says he will get a profit in one case and not in the other. That is exactly what the minister wants to avoid. Not only would he have to pay the profit in one case but he would pay a pyramid of profits. That is to say, he would pay a profit to the manufacturer and pay a profit on that profit to the wholesaler. He would pay two profits, one to the manufacturer and one to the wholesaler, and besides, there would be lost the very excellent result that the person purchasing would know exactly what duty he was paying so that he would be careful the next time to buy goods that were cheaper and by that means lower the cost of living not only to himself but, by the influence it would have on others, to his neighbours as well. As to the cost of collecting the tax, I have not much hesitation in saying that the cost to the Government would be less through the manufacturer and wholesaler. I have not much doubt about that. I do not know exactly how the minister proposes to collect the taxes through the retailer, but he has hold us that it will be through the Inland Revenue Department. Let me say that the suggestion that has been thrown out by a good many members to-night that it would materially add to the expenses of the retailer to keep track of this tax is purely imaginary and is offered for the express purpose of trying to shift the responsibility to someone else instead of the retailer.

Mr. COCKSHUTT: That is not right.

Mr. NESBITT: Well, I have had all sorts of petitions from retailers who want to avoid it. Every one wants to avoid paying taxes if he can, and I have no doubt that there is a similar anxiety on the part of most people to avoid being made the instruments by means of which the tax shall be collected. But as to the excessive cost to which the retailer will be put, that is purely imaginary. Nowadays every retail business in Canada gives a counter slip to the purchaser. It is proposed, as I understand it, to enter the duty separate from the cost of the goods on the counter slip, and any girl in two hours could add up the sales of an ordinary establishment of $1,000 a day. There would be a column for the tax and a column for the price of the goods, and that I imagine will be invented almost immediately by almost all retailers if they have not got it already; and any ordinary young girl who is smart and quick would be able to add that sales book in two hours. So that there is no earthly necessity for any one to hire an extra clerk if he is doing a reasonable amount of business in a day. As to the ordinary country merchant, he also nowadays gives counter slips, and if he is doing a business of $100 a day it will not take him fifteen minutes to add up at night the amount of tax that goes with those sales. He would have no necessity whatever to employ extra help to do that.

Mr. BELAND: I do not agree with you.

Mr. NESBITT: I am not in the retail business at the present time, but I was in it for several years and I know what I am talking about. From experience, I can tell you that what I have said is absolutely correct; it will not necessarily add to an ordinary retail business $5 a year of excess cost.

Mr. COCKSHUTT: Nonsense!

Mr. NESBITT: There is no nonsense about it.

Mr. BELAND: It is a long time since you were in the retail business.

Mr. NESBITT: Any merchant who does a thousand dollars and upwards of business in a day keeps a clerk purposely to check these sales. Go into any store in Ottawa and you will find in the cash desk a girl who checks these bills passed in from the sales clerk. She checks those bills and adds them in her sales book, and if she has a tax column she can add that column at the same time. Every decent merchant in the country that does business of $500 a day keeps a sales book and at night it must balance with the cash that is turned in. I make this statement only because there were a good many on the other side who spoke on the subject, and I want the minister to take that into consideration at the same time that he is considering the statements made by my hon. friends that the tax should be collected through the manufacturer and wholesaler. It is all right to collect the sales tax through the manufacturer and the wholesaler. I was a strong advocate of the sales tax myself, but I thought it should stop at the manu-

facturer and the importer. It is doubled to a certain extent when it goes to the wholesaler, and I would not want to see it go to the retailer, because that would be treble. It is proper to collect the turnover tax from the manufacturer and the wholesaler, but I believe that collecting the excess tax or the luxury tax, so-called, through the retailer is probably the very best system that could be adopted because of the results that will be obtained. That is a part of the cost of living. The hon. member for South Renfrew (Mr. Pedlow) suggested—and I have no doubt he is perfectly right—that the reduction in the price of boots was probably because there was a sale on that day. I only stated the fact exactly as I knew it, that it happened at the same time as the Budget was announced. Nearly every witness that came before the committee that investigated the cost of living last year said that there was too much spread between the price that the merchant paid for boots and shoes and the price he sold them at. The average was sixty per cent, and that is too much profit in any retail business.

Mr. LAVIGUEUR: Is it the intention to charge the 20 per cent on mechanical player pianos on the whole piano or on the player action alone, as before?

Sir HENRY DRAYTON: I have been asked to give Hansard, for the benefit of hon. members, a list of the changes to be made in order that members may see what is proposed in tomorrow morning's Hansard. I have much pleasure in complying with the request that the list of the proposed changes, some of which may be the outcome of the suggestions we have received to-night, be published. I would therefore move:

That a list of the proposed changes be placed upon Hansard.

Motion agreed to.

The list of suggested changes is as follows:

In the case of boots and shoes, etc., clothing (men's and boys'), including coats, vests and pants, whether sold separately or together; women's and misses' dresses, skirts, suits, and coats, a change is proposed to be made by charging 15 per cent on the excess over the prices fixed instead of charging the 10 per cent on the whole value.

For the purpose of preventing the tax being evaded by the purchase of parts of suits or dresses, the cost exempt from taxation is fixed at $12 on trousers, $5 on waistcoats, and $25 on coats. In like manner the cost exempt from taxation is fixed at $15, on skirts, except silk, and at $35 on women's coats, except silk.

Besides changing the tax on boots so that it applies only on the excess, it is also proposed to extend the exemptions to topboots not less than 12 inches in height, such as are used in lumbering, mining and fishing industries, and to river driving boots fitted with caulks on the soles thereof.

It is proposed to raise the exempt value of fur coats from $100 to $200, and to reduce the exempt value of fur robes from $100 to $50. Under the original proposals the whole fur list, except coats and robes was placed in the 20 per cent class, and without any exemption. It is proposed to drop this provision and to make the following additions to the 10 per cent list (paragraph 1, sub-section (a)).

Gloves, the component material of chief value being fur, in excess of $15 per pair.

Caps, the component material of chief value being fur, in excess of $15 each.

Muffs and neckpieces, the component material of chief value being fur, in excess of $35 each.

Other wearing apparel, not otherwise specified, the component material of chief value being fur.

The following additions to the same list are suggested:

Corsets, in excess of $5.

Walking sticks.

Knitted sweaters and knitted sweater coats in excess of $15.

Ebony and imitation ivory toilet ware.

Note: Ebony and ivory toilet ware were included in the 20 per cent list. Ebony is struck out of that list and transferred to the 10 per cent list. Under customs rulings imitation ivory being subject to the same 20 per cent tax, imitation ivory is also placed specifically in the 10 per cent list.

The item of plated ware in the 10 per cent list is proposed to be changed so as to confine the item to articles plated with gold or silver not otherwise provided for household or office use, as a result the tax is dropped on articles plated with nickel.

Clocks and watches in excess of $10 each are added, and the tax on velvets, velveteens, plush silk and artificial silk fabrics applies to articles sold in excess of $2 a yard.

It is suggested to change the provision as to lace, including collars or collarettes and all manufactures of lace, and to provide a tax on braid, as follows:

Lace and braid in excess of 25 cents per yard;

Collars and collarettes of lace and all manufactures of lace in excess of $1 per yard;

Ribbons of all kinds and materials, except typewriter ribbons, in excess of 50 cents per yard;

The changes proposed in the 20 per cent class, paragraph (a) sub-paragraph (b), are as follows:

As already noted, ebony toilet ware is carried into the 10 per cent class.

Fur wearing apparel n.o.p. is dropped.

The tax on oriental rugs is proposed to be reduced from 20 to 15 per cent.

It is proposed to take carpets from the 20 per cent list and provide for a 10 per cent tax on the amount paid for carpets and rugs in excess of $6 per lineal yard of 27 inches in width.

Articles usually sold by jewellers, covered by the different resolutions, are combined so as to

fall within the 20 per cent list, with a limitation as to license,, as follow:

Cigar and cigarette holders and pipes in excess of $2.50 each; cigar and cigarette cases; ash trays and match boxes of gold or silver; humidors and smoking stands; hunting and bowie knives; gold and silver handled pocket knives and pencils, and gold fountain pens; gold, silver and ivory toilet ware; articles of silver not otherwise provided for in this resolution adapted for household or office use; silver or gold deposit ware; articles commonly or commercially known as jewellery, whether real or imitation, for personal use or for adornment of the person.

Any person, firm or corporation, including the jewellery branch of a departmental store whose chief business is the selling of jewellery by retail, shall obtain a special license to sell jewellery and other articles specified in this resolution, in which case the tax payable shall be 10 per centum on the value of the total sales of such establishment or branch, under regulations to be made by the Minister of Customs and Inland Revenue.

It is proposed to abandon the present tax on chandeliers at 20 per cent, and provide for a tax of 10 per cent to be paid by the manufacturer as in the case of articles falling under section 3 of the resolution as follows:

Chandeliers, except for churches, in excess of $12 each; wall brackets, in excess of $3 each; gas and electric light fixtures, in excess of $3 each; not elsewhere provided.

The changes proposed in paragraph 3 are as follows: Confectionery which may be classed as candy or a substitute for candy. A tax of 10 per cent on all candy, except in original packages and original labelled pieces, bearing the name of the manufacturer on the packages or labels, retailing for 10 cents or less; also confectionery described and known as "gross goods" as sold to children at one cent each. These exceptions not to apply to candy at any time when sold by the manufacturer in bulk.

On chewing gum or substitutes therefor, the tax is reduced from 10 to 3 per cent.

Further suggestions will be made later with reference to pianos, organs and other musical instruments.

It is proposed to increase the tax on automobiles adopted for passenger use, retailing at $3,000 each, from 15 to 20 per cent.

It is suggested that the tax on playing cards be changed as follows:

For every 54 cards, or a fraction of 54 in each package, when selling at $24 or less, per gross packages, 15 cents per pack. When selling in excess of $24 per gross packages, but not in excess of $36 per gross packages, 25 cents per pack. When selling in excess of $36 per gross packages, 50 cents per pack.

According to customs decisions, the resolutions providing for an increased tax of $2 per gallon on spirits, lime juice or fruit juices, tinctures and medicines, means a tax of $4 on lime juices, medicines and perfumes, as the tax is held to be cumulative. It is proposed that this tax shall not be cumulative; that there shall be only one advance on the present rates for the alcoholic contents in lime juices, patent medicines, etc., of $2 in place of $4.

A reduction is also proposed to be made on imported medicinal or medicated wines, vermouth and ginger wines, and patent proprietary medicines containing not more than 40 per cent of proof spirits, from 30 to 20 per cent.

Reductions are also proposed in connection with the sporting goods list. Under that list at present, children's toys, games, etc., are exempt as are articles not over 50 cents in value. The exemptions are extented as follows so that the tax applies to baseball bats and baseballs in excess of $1.25; baseball masks and gloves in excess of $1.50; Skates in excess of $2.00 a pair; toboggans and hand-sleds in excess of $3.00; footballs in excess of $3.00; lacrosse sticks in excess of $1.50; hockey stocks in excess of 75 cents.

It is proposed to abandon the present stamp taxes now collected on patent and proprietary medicines perfumery, etc.

Progress reported.

## POST OFFICE ACT AMENDMENT.

On motion of Hon. Martin Burrell, (Minister of Customs and Inland Revenue) the House went into committee on the following proposed resolution, Mr. Boivin in the Chair:

Resolved, that it is expedient to amend the Post Office Act, chapter sixty-six of the Revised Statutes, 1906, and to provide,—

1. That paragraph (k) of subsection one of section nine of the said Act be amended so as to provide that the maximum registration fee on letters and other matter passing by the mails shall be increased from five to ten cents for each letter or article.

2. That section fifty-two of the said Act be amended so as to provide that the rate of postage on newspapers and periodical publications printed and published in Canada, and issued less frequently than at intervals of one month, and on all specimen newspapers, be increased from one cent to two cents for each pound weight, or any fraction of a pound weight.

3. That subsections two and three of section fifty-three of the said Act, as amended by section five of chapter fifty-three of the statutes of 1908, be repealed, and the following substituted therefor:—

"(2) Newspapers and periodicals required to be transmitted by mail within a distance of forty miles from the place of publication, the publication of which is of no greater frequency than once a week, which have a circulation by mail of not more than one thousand copies per issue, and which are published in any city, town or village which has a population of not more than five thousand persons, shall be transmitted free of postage within such area.

"(3) Newspapers and periodicals which are required to be transmitted for a greater distance than is mentioned in the last preceding subsection, or the publication of which is of greater frequency than once a week, shall be subject to postage at the rate of one cent on and after the first day of January, one thousand nine hundred and twenty-one, and until the first day of January, one thousand nine hundred and twenty-two, and one and one-half cents thereafter, for each pound weight or any fraction of a pound weight, and such postage shall be prepaid by postage stamps or otherwise as the Postmaster General from time to time directs."

4. That sections seventy-five, seventy-six, seventy-nine and eighty-one of the said Act be repealed, and the following substituted therefor:

"75. All letters and other mailable matter sent by the Governor General or by any min-

ister or department of the Government at the seat of Government, shall be free of Canada postage under such regulations as are from time to time made in that respect by the Governor in Council; and the provisions of any other statute inconsistent with the provisions of this Act, or conferring any greater powers of sending or having sent mailable matter free of postage than are conferred by this Act, are hereby repealed.

"76. (1) Letters and other mailable matter sent by the Speaker or Clerk of the Senate or of the House of Commons at the seat of Government shall be free of Canada postage, and letters and other mailable matter sent by any member of either House at the seat of Government during any session of Parliament shall be free of Canada postage. Provided that such letters relate wholly to the affairs of such member of the Senate or of the House of Commons of Canada, or to official or public business of the Government of Canada, and that all such mailable matter other than letters in their usual and ordinary form relates wholly to the official or public business of the Government of Canada.

"(2) All letters posted for transmission under this section must be franked by the personally written signature of the member of the Senate or of the House of Commons sending the same. All mailable matter other than letters sent under this section may, however, be franked by the facsimile of the signature of such member as well as by his personally written signature.

"(3) If the signature or facsimile thereof of a member of the Senate or House of Commons be employed for the purpose of franking any letters or other mailable matter except those mentioned in the foregoing section, the person so improperly using it shall be liable to a penalty of three hundred dollars for each offence, to be recovered upon summary conviction.

"79. Members of either the Senate or the House of Commons may, during the recess of Parliament, send by mail, free of Canada postage, all papers printed by order of either House."

Mr. FIELDING: I suppose the minister will give a general statement of the purpose of the changes?

Mr. BURRELL: In answer to my hon. friend (Mr. Fielding) I may say that the resolutions practically explain themselves, and I presume that any lengthy discussion of them may perhaps better take place on the second reading of the Bill when it is introduced. But I will make a running comment on some of the sections. The first section is to alter that clause of the old Act which provides for a five-cent registration fee. It is proposed that ten cents shall be substituted. Last year there was a loss of something like a quarter of a million dollars on that portion of the postal service, and this year that will be seriously augmented by the fact that there is an increase in salaries and bonuses, etc., which would probably reach something like $1,500,000.

Mr. FIELDING: Will the hon. gentleman say what he means by a loss in the registration branch?

Mr. BURRELL: There was an actual loss of a quarter of a million dollars in carrying on that special branch of the service.

Mr. FIELDING: Is there any other expense beyond that of the extra clerk for registration in each office?

Mr. BURRELL: According to the return which I have here, the expense of 1918 was approximately three-quarters of a million dollars, the total revenue obtained from the fees collected from this service was approximately half a million dollars there being a loss as between revenue and expenditure to the Post Office Department in the administration of the registration system of approximately a quarter of a million. I am afraid I cannot explain at the present moment the details of the practical administration that would put the expenditure up to that figure. Those are the figures that are given to me as to the cost of administration and the revenue, and the loss entailed is something like a quarter of a million dollars. It was proposed therefore to put the fee up to ten cents which is the same as that in the United States and practically the same as in England, although England runs from a smaller figure up to as high, I believe, as forty cents according to the compensation. I might also add that this will be a benefit to, and will be welcomed by, the rural postmasters inasmuch as it will increase their basis of revenue and therefore increase their remuneration.

The next section provides that instead of one cent on papers published less often than once a month, that is quarterlies, and on specimen newspapers, the rate shall be raised from one cent to two cents a pound. I may say that this increase is largely for the purpose of getting a better revenue out of the very large number of specimen newspapers that are sent around through the country, and which are, in effect, a species of advertising by the paper for the purpose of getting new subscribers. I am not aware that there is any very logical objection to the proposed change.

The next section is that dealing with numbers 2 and 3; with the substitution first of all in number 2 of a rate on weekly newspapers which hitherto, within a radius of forty miles selected by the newspaper itself, were allowed to go free. It is proposed now that the centre of the forty-mile range shall be the place of publication. This was designed to overcome what was

previously open to criticism, a newspaper selecting its point in the forty miles between two large cities in which case it could take advantage of those two large cities. The object of this section when placed in the old Act was to encourage the very small weekly newspapers throughout the country, and certainly was not intended to be abused in the way I have suggested. Therefore it is proposed in the first place to make the forty miles start from the actual place of publication, and for those papers that have a circulation of less than a thousand to go free and those over a thousand circulation to pay the same rate that an ordinary newspaper would pay, limiting also the place to a five thousand population to encourage the smaller newspapers and not to encourage in any way or to benefit those weekly newspapers that are published in cities.

Mr. SINCLAIR (Guysborough): Is the place of publication the place where a paper is printed? For example it is customary in certain parts of the country to have the paper printed at some distance from where the editor and the office of the paper are located. There are papers in the province from which I come that have no printing press but they arrange with the press, perhaps a hundred miles away, to do the printing. The copy is sent to that place and the papers already printed are sent back and distributed from the point where the editor and proprietor happen to live. What would happen in such a case as that?

Mr. BURRELL: Well, I should think there could not be any doubt about it. It would be the place from which the newspapers are distributed, that is where the editorial rooms are, because under the old Act it is obvious they would not have got the advantage of free distribution, because the radius was forty miles. I assume that the point of distribution would be the place of publication.

The next clause is that which raises the rate of newspapers of more frequent publication than a week—that is of the daily and semi-weekly papers—from a quarter of a cent a pound up to a cent a pound, going into operation on January 1st next, and one cent and a half on the following January. I may say in regard to this that it was to be half a cent in Canada some time ago, and for some reason, about which I am not quite clear, it was put down to a quarter of a cent. There are something like 87,000,000 pounds of newspapers carried in this country at a quarter of a cent a pound constituting about fifty-four per cent of the total weight of mailable matter. The revenue derived from that quarter of a cent is about $290,000 whereas the total revenues are $25,000,000. That is to say, newspapers, which constitute fifty-four per cent of the total weight pay one per cent of the cost, and the department has estimated that it was losing well up towards $5,000,000 a year by carrying newspapers at a quarter of a cent a pound. They are actually out $2,000,000 in the cost of equipment and necessary material—the actual disbursements—and considering this and the different expenses in the way of salaries and other items they estimate that the loss would probably run up to $5,000,000.

Mr. NESBITT: Does not the minister think it is a pretty big jump from a quarter of a cent a year until that one cent is arrived at? The newspapers are in trouble now owing to the price of newsprint and other reasons.

Mr. BURRELL: I need hardly tell my hon. friend that I hope I have sufficient sympathy with the point of view taken by the newspapers. I am quite aware that they feel their position very difficult at the present time in regard to the cost and difficulty of obtaining newsprint. I will admit that it seems a pretty big jump from a quarter of a cent to a cent. On the other hand I think it is only fair to point out to the House the fact that the Railway Commission has recently given the railways power to raise the rates on mailable matter; and if—as I have no doubt will happen—they raise their rates at least a hundred per cent, even if we made a raise of only half a cent we would be still in exactly the same position that we are in to-day with respect to loss to the department. It should also be pointed out that one cent—even though it may seem big calculated in percentages—will be hopelessly inadequate compared with the expense of carrying the newspapers. Newspapers in United States, as a matter of fact, to-day are charged one and a half cents for their carriage, whereas we only propose to charge one cent. However, in respect to this—which I know is a very debatable matter; several members of the House have already spoken to me and said they would like to discuss it and put their remarks on record—I would suggest that the subject can be very well discussed at greater length when the second reading of the Bill takes place,

and as to any suggestions the Government, of course, will give consideration whatever may or may not be done.

Mr. McGIBBON (Muskoka): Is there any legitimate reason in the public interest why all newspapers should not pay the actual expense of transportation? Why should not newspapers, even under a thousand circulation, pay for their carriage and let them charge that cost up to circulation?

Mr. BURRELL: I have no doubt there are other hon. members who could answer that question. Of course the view of the Post Office Department generally would be, putting it as a matter of principle, that all service should pay for itself. If we did it in this particular case the newspapers would certainly have to pay a vastly bigger rate of increase than we have even suggested. Of course it is not up to that rate now. Then, one is bound to point out that conditions are somewhat different from what they are in the United States, on account of the enormous stretch of country in Canada and the comparative sparsity of the population. I suppose, too, it would be urged by the newspapers that a newspaper is almost regarded as an absolute necessity and is a great educationl factor, and to charge to the extent that my hon. friend suggests would practically, I have no doubt, put a very large percentage of the newspapers of the country absolutely out of business.

Mr. McGIBBON (Muskoka): Not if they increased their rates. It is a matter of business.

Mr. BURRELL: Yes. It is a matter of business.

Mr. ARMSTRONG (Lambton): Would it not be possible for the minister, before the second reading of the Bill takes place, to consider the advisability of increasing the distribution from one thousand to two thousand? Perhaps in the western provinces the proposition might meet with the general approval of a large number of the weekly papers, but when you come to the older provinces like Ontario and Quebec you will find that the bulk of the weekly papers have a circulation of from 1,500 to 2,000, and many even more than that. I certainly think the suggestion is worthy of the serious consideration of the minister. I would also call his attention to the fact that he is now increasing the rate on the other weekly papers and magazines, not one hundred per cent, but four hundred per cent. That is a tremendous jump to make, and I would ask if it is not possible to consider a more reasonable increase at present.

Mr. MICHAUD: Before the minister makes his reply I would like to read a statement which I have received from the Graphic Limited, a newspaper published at Campbellton, N.B. The letter is from Mr. H. B. Anslow:

> We ask you to press for the substitution of the following for the above section:
> "(2) Local weekly newspapers which have a circulation outside their own town or village of not more than 2,000 copies each week, shall be transmitted by mail free of postage within a distance of forty miles of office of publication."

I understand that under the resolution only 1,000 copies are allowed to be distributed. The writer of this letter adds:

> The lot of the weekly publisher is yearly becoming more difficult, until many of us will be crowded out and much good work being done by this class of papers will be lost to the Dominion.

I am advised that the publisher of this newspaper will have to close down his business if he is not allowed the higher circulation.

Mr. LEMIEUX: I shall await the Bill as printed before discussing at any length the subject matter involved in this resolution. But at this stage I wish to state that if the Post Office is in need of a larger revenue there are other means than the present one which might be found to achieve that result. Let me say at once, Mr. Chairman, that the Post Office Department before 1896 was an institution not worthy of the time as regards business methods, and huge deficits followed in succession year after year. But when Sir William Mulock took charge he introduced business methods, and we all know with what result. I may say that in his day he thought of establishing the zone system in order to prevent what were merely advertising agencies benefiting by the low rate of newspaper postage. However, he finally concluded that we might perhaps continue the system, but he cut down the waste as much as possible, and succeeded to such an extent that the department soon became conspicuous as a place where sound business methods were practised. I claim no merit when I say that I followed in the footsteps of Sir William Mulock, and that year after year we had surpluses instead of deficits. We established, I think, a fair rate of postage on newspapers and magazines, and I gave a preference to British magazines and newspapers by barring out the yellow press and yellow magazines from the neighbouring re-

public. I am sorry to say that that system which gave so much benefit to our settlers in the West was abandoned somewhere round 1912. Now, in order to provide more revenue for the Treasury my hon. friend comes before this committee and proposes to materially increase the revenue of the department by cutting down the privileges of the press and by establishing the zone system. If he wishes to get more revenue I would advise him to chop off the heads of useless officers in that top-heavy staff which he has in the various post offices. The population of Canada has not increased so materially in the past ten years that in cities, for instance, like Quebec the post office staff should be increased from 90 to over 300. In the city of Montreal the post office staff in 1911 was something like 700; I am informed that to-day it numbers over 2,000. I make bold to say, Mr. Chairman, that at least 200 of those employees in the Quebec office could be discharged, and at least 2,000 at the Montreal post office. I am not speaking of Halifax, or of Toronto, or of Winnipeg, but I daresay that there the same wasteful system has been established by the administration of the department.

But this is beside the mark. We are speaking of the new methods which it has been thought wise to introduce in order to increase the revenue. I have no love to waste on the press of Canada, as members of this committee know; but I put my grievances aside and I stand here this evening as an opponent of any tax on freedom of thought. You can tax my shoes, you can tax my vestments, you can tax my investments,—if perchance I have any,—you can tax almost anything I possess; but, Mr. Chairman, do not tax freedom of thought in this country,—and that is what is being done under this proposal. And besides, you are making no distinction between a real newspaper and a sheet which under the name of newspaper does not convey news, does not disseminate ideas, but is merely a medium for certain fortunate firms who are investing their excess profits in advertising their wares extensively before the public. Let me read the protest of a young Canadian author on this subject. It appeared in Saturday Night some days ago and is as follows:

> I wish somebody would explain just why the Government of this Dominion is so intent on playing Herod to those luckless infants of arts and letters which lie within reach of its broadsword. At a time when Canada is struggling to express herself through her own distinctively Canadian periodicals, and is doing her youthful best to become something more than what the botanists might term an "obligate parasite" on the United States, it seems doubly unfortunate that the life of many of our native publications should be nipped out by a Postal Zone Bill which carries the threat of an increase of 400 per cent.

As my hon. friend from Lambton has just said:

> —in mailing charges within a distributing range of 300 miles, and an increase of at least 800 per cent for still wider areas of distribution.

You have there in a few pointed sentences the effect of this legislation which is introduced this evening. You are increasing by 400 per cent and in some cases by 800 per cent your tax on the press of Canada. He continues:

> We want to be something more than a back-door neighbour of Uncle Sam. We want a voice of our own, and a literature of our own. To have these we must have those publications which remain less involved with the crowded events of the hour than is the daily press. Our authors have survived, it is true, without the protection of that respectable copyright legislation which most countries extend to toilers in the garden of the imagination. They may even survive a cutting down of their home market. But postal impositions which tend to restrict the disseminations of thought to merely sectional dimensions is retrogressive, and governmental economies which are bound to hamper the diffusion of culture are going to prove repugnant to the open-minded Canadian. It may cost a little more in the bulking up of budgets to encourage our magazines instead of sabering them. But they are trying to make themselves worth the cost. And in the end it is money well spent—as our older and wiser neighbour to the south of us discovered before she went through her own low fever of postal reform.
>
> ARTHUR STRINGER.

Let us put the question on a higher plane, if I may so express myself. This country extends from ocean to ocean. We have been told repeatedly in years gone by that our business is from East to West and from West to East, not from North to South. We have been told that we should be satisfied with interchange of commerce between the various provinces of this Dominion; we have been told that what we need most is a healthy national sentiment from the Pacific to the Atlantic and from the Atlantic to the Pacific. That is a sound policy. We must build a Canada in which the man from the East will, on broad issues, think alike with the man from the West. There must be interchange of ideas between those distant provinces. What are you doing by this legislation? By this postal rate you are preventing the hon. member for Lethbridge (Mr. Buchanan), who is an excellent journalist, whose paper I like to read even when it is against me,

from sending his newspaper into Eastern Canada, and papers published in Montreal, papers published in Quebec, papers published in Halifax, will not circulate in the various provinces west of lake Superior. Is that a healthy condition for this country to establish? I ask my hon. friend to pause and to think seriously before putting this legislation through. You are dividing this country; you are creating the very sectional sentiment which every true patriot must combat to the best of his ability. You are complaining of having three political groups. My good friend the hon. member for Simcoe North (Mr. Currie) carries with him the claymore of his ancestors whenever he meets the gentlemen who represent the Farmers' party in this House. He complains bitterly about this evidence of a purely sectional group in Canada. He does not want to see those farmers and their farmer associations thinking only for themselves and of themselves. He wants them to be imbued with the thoughts, ideas and principles prevailing in the industrial centres of Ontario. He is not far wrong in that, so far as ideas are concerned.

Mr. CURRIE: First of all, I should like to know when I said all this. The hon. member cannot point to a single word that I said this session or last session against the Farmers' group. The hon. member is framing all this up out of his imagination, but it is so beautiful that I cannot help listening to it.

Mr. LEMIEUX: I must remind my hon. friend that I have been a journalist, and perhaps some stretches of imagination are permissible. But is it not a fact that this legislation is sectional legislation?

Mr. BURRELL: In what respect?

Mr. LEMIEUX: You are going to close the avenues between the East and the West.

Mr. DOHERTY: By what provision of this legislation are we closing the avenues and making the thing sectional?

Mr. LEMIEUX: By creating a zone system and giving them a special rate.

Mr. DOHERTY: Has the hon. gentleman read the resolutions, and if so, does he not see that there is no zone system in them?

Mr. BURRELL:: I must say to my hon. friend very confidently that while the zone system was discussed and considered, the idea was abandoned, and there is in the resolution no zone system except the old regulations which obtained even when he was Postmaster General.

Mr. CURRIE: I might also say for the benefit of the hon. gentleman that when the Bill comes down I will try to take occasion to remind him of a few things that happened during his regime as Postmaster General, when we used to have a few words to say in the House.

Mr. LEMIEUX: I am quite ready to wait until the Bill is printed, but at first sight, I say that you are increasing the rates per zone. That is how I read the resolution, and whilst a certain rate will prevail in one zone, the same rate will not prevail in another zone.

Mr. BURRELL: That is not so.

Mr. LEMIEUX: So much the better if I am mistaken, but I read the resolution that way, and I will wait until the Bill is printed. But if I am in error, I am in error in company with many journalists, because, as former Postmaster General, I have been showered with protests from all parts of Canada against the resolution which has been presented this evening.

Mr. DAVIDSON: Probably they are reading your own papers.

Mr. FIELDING: How does this resolution affect the transportation of magazines?

Mr. BURRELL: A magazine is not regarded specifically as a magazine; it comes under the newspaper class. Has my hon friend (Mr. Lemieux) concluded his remarks?

Mr. LEMIEUX: No. My hon. friend says that the rate is not raised.

Mr. BURRELL: I never said so at all. I explained that the rate was raised, and I thought I explained it in fairly clear English. I said that no zone system was established except in so far as it has always been established, even during my hon. friend's regime, in the forty mile limit for weekly newspapers.

Mr. LEMIEUX: Clause 3 reads:

That subsections two and three of section fifty-three of the said Act, as amended by section five of chapter fifty-three of the statutes of 1908, be repealed, and the following substituted therefor:—

(2) Newspapers and periodicals required to be transmitted by mail within a distance of forty miles from the place of publication, the publication of which is of no greater frequency than once a week, which have a circulation by mail of not more than one thousand copies per issue, and which are published in any city, town or village which has a population of not more, than five thousand persons, shall be transmitted free of postage within such area.

But without such area, what will be the rate?

(3) Newspapers and periodicals which are required to be transmitted for a greater distance than is mentioned in the last preceding subsection—

Is not that another zone?

—or the publication of which is of greater frequency than once a week, shall be subject to postage at the rate of one cent—

There is an increase there.

—on and after the first day of January, one thousand nine hundred and twenty-one, and until the first day of January, one thosand nine hundred and twenty-two, and one and one-half cents thereafter, for each pound weight or any fraction of a pound weight, and such postage shall be prepaid by postage stamps or otherwise as the Postmaster General from time to time directs.

My expression may be loose, but I am, in essence, absolutely correct. You are raising the rate for passing from one district to another, if you prefer the word "district" to the word "zone", and you are adding six times the rate for passing from one district to the other. My hon. friend is playing upon words, and that is unworthy of him. I say that he is creating a zone system, and for passing from one zone to another he increased the rate. The journalists and newspaper proprietors know what they are talking about and they are protesting against this resolution, because they know that in the end they will have to pay the piper. What I am saying this evening—with some warmth, I agree—is on behalf of the real newspaper, the torch-bearer, not the advertisement monger. I am speaking for the real journalist, the real newspaper, the disseminator of news and knowledge as the word is defined in the Post Office Act. I agree that, for many years, many so-called newspapers have been transgressing the law, but it is the duty of the Postmaster General to prevent that. I regret that the Postmaster General is not in the House, and again I say that, precedent or no precedent—perhaps this is a hobby of mine—ministers who have a seat in the other chamber should, by the rules of Parliament, be allowed to appear before this assembly to explain their measures, just as ministers having a seat in this House should be allowed to appear in the other chamber to explain their measures. I think that reform has to come some day. As I said a moment ago, when the Bill is printed we shall have occasion to discuss this question further; but I regret that the Government has come to the conclusion that knowledge, thought and education should be taxed. If was under the impression that having taxed almost everything they could think of, they would at least respect those untaxable ethereal things such as knowledge, genius, art and public opinion as expressed by the writers in the press. I think that on the whole, with very few exceptions, we have a clean press in Canada. On the whole, the periodicals of Canada are quite a credit to the country. In Toronto, in Montreal, in Halifax and in the West there are periodicals which are a credit to this country. From what I can gather, the Canadian periodicals have an elevating effect on the public mind, and I cannot resist the temptation to read a letter which I have received bearing date May 12, 1920 from the "Woman's Century, a national journal of education and progress by Canadian women, and official organ of the National Council of Women of Canada." I should like my hon. friend to listen to this letter, because it is most important and has a special bearing on this question. With the cost of newsprint as it is, and with the high cost of living and the increase in wages, the task of publishing a newspaper or periodical to-day bears very heavily on the shoulders of the poor publisher. The letter I have received is as follews:

Dear Sir: I see that the Hon. Mr. Burrell, Minister of Customs and Inland Revenue, has given notice of a resolution to be moved in the House regarding an increase in postage rates on newspapers, magazines, etc.

As President of the Womans' Century, I wish to point out certain things which I would beg you to take into very serious consideration on behalf of this publication and of the work that it is doing.

The magazine was launched in 1914 and has gone steadily forward in spite of the serious years of war and reconstruction. It is the organ of several national and provincial women's organizations throughout the Dominion and has a large circulation amongst women of all types. Its great object has been to educate women along social lines, to give them a good, stable understanding of public questions, and to put before them certain ideals for the nation. To this end such methods as "Made-in-Canada" programmes, child welfare, public health, Canadianization and many other kindred subjects have received very constant and careful attention.

During the reconstruction period we have had articles appealing to the women to use their influence in steadying our national life and in opposing any form of unconstitutional movement or Bolshevism. That the paper is doing fine work is proved by constant letters of appreciation and interests from people all over the Dominion and outside it.

If this bill should be passed, this good work would be very seriously hampered, and I feel one of the contributions that women are giving to the national life would suffer a kind of defeat.

I trust that you will be able to give your serious consideration and do all in your power

to help such magazines as this over the threatened danger. I might add that should magazines of this type be cut down, then there would be an incoming of American magazines with non-Canadian ideals, which in my opinion would be most dangerous to our country.

Yours sincerely,

Constance E. Hamilton,
President, Woman's Century Limited.

I trust my hon. friend will pay attention to this appeal and take into due consideration the statements which are made in the letter. Now, let me tell my hon. friend that this increased tax on newspapers and periodicals will reduce the circulation of our Canadian periodicals and may bring some of them under the hammer. This tax may drive them to the wall, and it certainly will prevent this campaign of Canadianization which is mentioned in Madame Hamilton's letter, while the wealthy newspapers of the United States, including the Hearst publications, will flood our country. Already, Mr. Chairman, the people of Toronto are protesting vehemently against the inroads of such publications as the Hearst journals. The United States can dump their newspapers into Canada just as before the anti-dumping legislation of my hon. friend from Shelburne and Queen's (Mr. Fielding), they dumped their excess goods here. They can dump their newspapers and their periodicals, and jam the postal cards with their yellow literature. Of course, Mr. Chairman, I am not speaking of such newspapers as the New York Post and the Tribune, or such periodicals as The Century, the Atlantic Magazine or Munsey's. I do not refer to such publications, but I am speaking of the ugly, yellow American magazine. By this legislation you are precluding our own people from publishing and circulating clean Canadian literature and clean Canadian thought and ideals, while you are opening the door to a flood of Yankee yellow literature.

Mr. BUCHANAN: I may as well confess at once that I happen to be personally interested in this resolution and I think it might be well if I placed before the committee the view of the Canadian daily newspapers. First of all, I will admit that when the question of postal rates came up they proposed an increase of their own which they were prepared to accept. The daily newspapers of Canada throught their association are in favour of a certain increase in postal rates, for the reason that they do not feel that the newspapers of Canada should be blamed for any deficit that might exist in the Postal Department. They do not claim that the increase will overcome that deficit, but they do not want the newspapers to be regarded as one of the causes of the deficit. The association met a month or more ago and conferred with the Postmaster-General and the Deputy Postmaster-General and proposed that the first increase should be from one-quarter cent to one-half cent. I know that the present proposal is not agreeable to many newspapers because they cannot meet such a heavy increase at once. They would rather have the increase from a quarter to a half in the beginning of next year, then an increase to a cent, and then an increase to a cent and a half if necessary. They take the ground that they do not want to be treated by the Post Office Department or the country as a charitable institution.

An hon. MEMBER: That is the case now.

Mr. BUCHANAN: I may point out that a newspaper that has to meet an increased cost of this character cannot place it immediately on their customers. Subscriptions have been taken from the 1st of January this year up to the present time, and they apply for two years, and until that time the rates cannot be raised in respect of persons who have subscribed so far. These increased costs will eventually mean increased subscription rates; there is no doubt about that. In Alberta at the present time, owing to the rising cost of newsprint and the proposed increase in postal rates, the newspapers of Calgary and Edmonton have increased their rate to 25 cents a week for papers delivered in those cities, a matter of $13 a year, and to outside points the subscription has been raised from $5 to $8. They are starting out to meet the increased cost that will surely have to come to all the newspapers in Canada. These rising costs they must meet by increased subscription and advertising rates. I am not asking the Government not to make any increase at all; I am quite agreeable to an increase, but I think it should be graded a little differently from what is proposed here. I would not object of the cent rate were put into effect later but newspaper men think that a 300 per cent increase is pretty heavy to start with. If we were to start with a half a cent, then increase to a cent and then to a cent and a half later, they might make it up on their extra costs.

I might say in behalf of the newspaper publishers that the situation is extremely serious among the newspapers of the country largely due to the increased cost of newsprint. Prior to the war newsprint was selling at $40 a ton. It will be $80 to the end

of June, but it is going up to $120 the beginning of July. These costs, postal rates and all, have to be met. If the burden were made a little less at the present time and were increased gradually I do not think there would be any objection from the Canadian daily newspaper publishers. They did meet the Postmaster General and were agreeable to an increase of half a cent. They would like that increase to be put into effect first and that the other rates should be imposed in six months or a year if necessary. I thought it might be worth while for the committee to understand the attitude of the daily newspaper publishers and that is the reason why I have made this statement on the question.

Mr. McGIBBON (Muskoka): I am thoroughly in accord with the spirit of this resolution. Although I am directly, or indirectly, associated with the publication of newspapers I do not see why the Government should carry my newspapers or any other people's newspapers for nothing. It is an absolute business transaction and we have the postal department running behind to the extent of $7,000,000 a year. This is not business. We could stand it probably in pre-war days and have some excuse for it but to-day, when we have to exert ourselves to the very utmost, and to impose taxation to the limit, I do not see why we have any reason to carry on a department of this Government in such an unbusiness-like way. If it is true, as has been said, that there are hundreds of employees in different parts of this department that are useless, for goodness sake, let us get down to the time when we can run every department of this Government on a business basis—lop off the mouldering branches, get new methods if necessary and new men and let us put this country on a paying basis. Probably I have not the same respect for free thought that some hon. members have. I am very doubtful if the newspapers of this country contribute very much to it. The Associated Press is a great distributor of news and that goes over the wires. It is not transmitted by the mails. As far as the editorials are concerned, I think they reflect to a great extent the opinions of one man and that man is the editor, whoever he may be. This is a public matter; we are here to look after the business of the people of Canada; and what right have we to carry newspapers to the extent of $6,000,000 or $7,000,000 a year for nothing, at a time when we are imposing taxation on the people? If newspapers cannot carry on at the present rates they have their remedy the same as any other business man has; let them increase their advertising and circulation rates and not come down here and ask this Government to dole out charity to anybody. We are here to conduct the business of Canada in a business way and I hope the minister will go farther than the resolution specifies. I do not know why weekly newspapers should be carried free. They should carry a legitimate charge for transmitting their knowledge. Newspaper publication is a business; the publishers are conducting that business for a personal gain and profit. I have never yet seen any great philantrophy among the newspaper men and publishers of this country; it is absolutely cold business; and it is up to this Government to conduct the business of this country in such a cold-blooded manner as to make the business of the country pay as we go. Canada is heavily in debt. The Lord knows we have to impose burdens enough on the people, and I do not think any appeal to charity is at the present time in order.

Mr. PARENT: I want to say a word now, reserving until later whatever remarks I shall have to make on this subject. I understand that the purpose of this resolution is to get revenue, and such being the case probably the service of the department could be improved. I would call the attention of the minister to the fact that when a holiday falls on Monday the distribution of the mails in the cities is not made from Saturday noon till the next Tuesday which causes a good deal of damage to trade generally. My attention has been called by associations of merchants and all kinds of persons to this matter and I hope the minister will take it up with the department, and that the public in general will have reason to appreciate his intervention.

Mr. BURRELL: In answer to my hon. friend from East Lambton (Mr. Armstrong) who brought to my attention the fact that a thousand in regard to the weekly newspaper was a somewhat low figure for circulation free and that it should be extended to two thousand, there is a good deal in what he says. Now, I shall be personally very glad to give the matter consideration and I think we may take that up when the Bill is introduced. My hon. friend from Restigouche and Madawaska (Mr. Michaud) touched on the same question but he went somewhat farther and argued that as a matter of principle papers such as those that he referred to should be allowed free mailing privileges altogether. I do not

know on what principle we could lay it down that newspapers of any kind should be allowed to pass through the mails free. If we carried that out to its logical conclusion, as my hon. friend from Muskoka (Mr. McGibbon) has pointed out, the rest of the people who are not interested in these papers would be subsidizing them out of their own pockets. However, I shall be glad to give consideration to the question of the weekly newspaper and take it up on the second reading.

I would like to say a word or two in answer to the hon. member for Maisonneuve (Mr. Lemieux), whose remarks, I must confess rather astonished me. I am not going to follow him in his remarks about what was prior to 1896 the excellence of the administration of the department and the unfortunate depravity since that time, because I do not think it would be worth while going into that question. All the reforms which my hon. friend, or his predecessor, put into effect ought to make us rejoice, and if there was a complete absence of all kinds of abuses during the administration he can take comfort to his soul that such was the case, although I think that probably I could pick some flaws,—however, I shall not go into that question. I can say, however, that if there is a tremendous extension and an increase in the number of employees far in excess of what is absolutely justified by the service. I am sure that every member of this House, I do not care on which side he sits, will feel that such an increase should be wiped out of existence and that the service should be put upon a basis of business efficiency. In that the hon. gentleman does not feel any more strongly than I do myself.

May I say a word about my hon. friend's remarks, the tone of which I thought was entirely uncalled-for. He speaks about this part of the resolution being a "tax on free thought." It is not a question of a tax; it is a question of trying to make up from the users of the mail something of the enormous deficit which imposes a burden on the whole country. It is not a question of taxing free thought, it is asking the newspapers whose business results in a loss of some four or five million a year to the Government to bear a somewhat heavier share of the cost in order that we may at least do something towards making up the deficit. If my hon. friend can construe that into an attempt to tax thought we will never agree on a definition of what a tax is. My hon. friend asked us to seriously consider before we take that step, but I wish he had considered this thing a little more himself. He is absolutely wrong when he talks about a zone system in referring to the forty-mile district in which a weekly newspaper may be carried free.

Mr. LEMIEUX: What would you call it?

Mr. BURRELL: That is the forty-mile district for a weekly newspaper, but what my hon. friend has in his mind is that the newspapers which have been writing to him and to me were afraid that there was going to be what is known generally as the zone system, namely, that beyond a 300-mile line there was going to be an additional charge. That is what is known to the newspaper men as the zone system. That zone system is not in this resolution, but the forty mile limit for weekly newspapers is precisely as it was under the old administration, except that we ask that from the central point of publication the distance shall not exceed forty miles.

Mr. COWAN: That does not apply to dailies.

Mr. BURRELL: Not to dailies. There is some misapprehension as to that. My hon. friend talks eloquently about the sword of the ancestor of the hon. member for North Simcoe and so on. I am not going to follow him in anything of that kind. But there was one other thing the hon. member said he would like to touch on. He said that he himself was here as an advocate of those high exemplars of thought in the newspaper world, the torch-bearers as he called them, and he seemed to have some extraordinary idea that we were encouraging all the worst forms of the press and were suppressing in some mysterious way the "torch-bearers" that he alluded to. Well, I will just say that our definition of the press is precisely what was in the Revised Statutes in 1906 and was in effect in my hon. friend's regime. Paragraph (a) of section 53 of the old Act reads that:

> A newspaper is known and recognized as a newspaper or periodical in the general sense of the word, and consists wholly or in great part of political or other news, or of articles relative thereto, or on other current topics, and is published regularly at intervals of not more than one month.

Now it is no good for my hon. friend to talk about "suppressing" the "torch-bearers." There is a definition of a newspaper that existed in the Act when my hon. friend was Postmaster General, and it is precisely that definition under which we are working

to-day, and there is no proposal to change it. I may say that we do require a reasonable and proper amount of reading matter and political and other news, before the publication can be classed as a newspaper, and get the benefit of these rates, because it was not thought desirable that papers should go out with an overwhelming mass of advertising and a minimum of news.

Now in reference to this whole matter, if my hon. friend has any other thoughts that would bear more directly on the question than those he has expressed to-night, or any suggestions to make, I need hardly say—as the minister who is piloting the Bill through this House—that I would be only too glad to give them the greatest consideration. I must, however, take a strong exception to his view of this proposal to try and see that the newspapers of the country pay at least a little more than they have been paying towards the very heavy load which we have been carrying for them, and I must deprecate his citing that as "attacks on free thought" in any shape or form.

I may say in answer to my hon. friend from Lethbridge (Mr. Buchanan) that I know the views he has placed before the committee to-night are the views that have been expressed from a great many quarters in Canada to me—and I suppose to the Postmaster General—during the last few weeks. I am quite aware that the newspapers are facing somewhat hard conditions in regard to their supply of newsprint and its increased cost. At the same time whatever is finally decided—whether we adhere to the provisions of the resolutions and the provisions of the Bill which is to be founded upon those resolutions or whether there is any modification—what I have stated before must not be forgotten, that even whatever amount we do advance these charges by, owing to the necessary increase in the railway charges which is bound to come, the department and the country—because the department represents the country—will be facing an enormous deficit even if you charge up to one cent. However, I think that matter could better be discussed at a later stage.

Mr. CHAPLIN: I would like to get the figures of the cost of carrying these newspapers, and what revenue we propose to get from that. The minister has stated that we are carrying 87,000,000 pounds of paper at the present time, and the revenue derived therefrom is $290,000. He proposes to impose a rate of four times the present amount, and even that increase will not pay the cost of handling. I would like to get the exact figures.

Mr. BURRELL: It would be difficult to give the figures with any absolute exactitude to-night. I have given a rough estimate for the purpose of explaining the general sense of the resolutions. I could give the figures more accurately when the Bill which is to be founded on the resolutions comes up for second reading. It is right, as my hon. friend states, that we charge a quarter of a cent a pound for carrying newspapers at present. The revenue from this source has been about $291,000, and the extent of the loss entailed by the carrying of these newspapers is estimated to be pretty close to $5,000,000. Under the terms of the resolution the rate for carriage is increased from a quarter of a cent to one cent per pound, but even if that proposal is carried out it will certainly be very far from meeting anything like the expenditure involved.

Mr. CURRIE: Is the minister prepared to give the committee the amount that is lost on the distribution of catalogues and also on the carriage of parcels? I understand there is an annual loss of from twenty to thirty millions in the carrying of parcels for the departmental stores, figured on the same basis as that for the carriage of newspapers?

Mr. BURRELL: If my hon. friend will permit me I will give that information upon the second reading of the Bill. I will say in passing that I am quite aware that while there may be differences of opinion with respect to certain provisions in these resolutions there is no necessity for altering the resolutions now. Nor is there any grave reason why the passage of the resolutions should be delayed. I am giving a running explanation of their purpose in order that when the Bill comes before the House all the varying views that members may entertain may be advanced perhps with greater effect. I will finish, therefore, with a comment on the other clauses.

It is proposed to repeal the old sections 75, 76, 79 and 81 which deal with the question of franking, and to substitute certain other clauses which in the main amount to this: Whereas in the past it was customary not only for all departmental literature and letters, and mailable matter of all kinds, to be sent from the seat of Government by departments, and by members and senat-

ors, it was also customary for all mailable matter and letters addressed to any department of government by a member to come in free. That part is deleted, and while the privilege is retained of franking departmental literature and government publications, and members' mailable matter and letters, being still franked out they will not come in free. I think myself that this is a wholesome reform because there has been a tremendous abuse of the franking privilege generally, and certainly a very great loss of revenue. The franking privilege hitherto enjoyed by the provinces for the distribution of all their government publications is also cut out. There are hundreds of tons of government publications in the various provinces going out free, and the department thought there was really no reason why the Dominion Government and the people of Canada from a federal standpoint, should carry free the mails of a province, when, after all, each province is perfectly able to attend to that matter itself.

I might mention that a penalty is provided for the franking of matter that does not deal with the personal affairs of a member or senator. I think I am well within the mark when I say that the franking privilege by members has been abused, not so much willingly by the member himself as by all sorts of pressure from other people who got him to frank their letters and he himself was not in the position—without being extremely ungracious—of refusing them, although the course in question certainly was not justified. This simply gives him a reason by which he can say to anybody, "I am not permitted under the law—a violation of which will lay me open to a penalty—to frank your letters, or the letters of your friends' friends at the public expense simply because you are my friend." The changes proposed will cut that practice out. I need only give an illustration of the abuse of this privilege by saying that years ago when members of the Civil Service were allowed to frank their letters a boarding house in Ottawa advertised its advantages as such by reason of the fact that it had civil servants there, and that those civil servants would frank all the letters of the people who came to the house. There were also times in the old days when members came to Ottawa and found that it was a very expensive business to do their laundry here and so franked their washing home, got it done there and then brought it back. I remember an instance related by the late Sir Hector Langevin that when he was Minister of Public Works at one time they could take down to the station in a small bag the mail matter franked from the Department of Public Works. Suddenly there was an enormous increase and they found there were merchants and other people coming into the department and unloading whole truck-loads of stuff there because all the departmental matter went through the mails free. In England the abuse was equally flagrant, in fact the system was abused to such an extent that members were known to frank even pianos down to their constituencies. It led in England to the wiping out of the whole privilege. Although that policy has since been reversed, the privilege has been greatly restricted. Here, in the public interest, we are going to at least wipe out the greater abuses in connection with the franking privilege. I think that is all I need say in comment on the resolutions.

Mr. LEMIEUX: Is it proposed to preclude the franking of campaign literature?

Mr. BURRELL: I would not say that, because as I understand the resolutions anything to do with the business of the Government, or public business, goes free. I take it for granted that my hon. friend would not send out as campaign literature anything that did not deal with public business.

Mr. THOMPSON (Yukon): I would like to ask a question of the minister with reference to the franking privilege. I notice that in subsection 2 of section 76 it is declared:

> All letters posted for transmission under this section must be franked by the personally written signature of the member of the Senate or of the House of Commons sending the same.

Does that mean that we shall not be permitted to frank by our initials?

Mr. BURRELL: I would not like to speak positively on that point. I think the view of the department is that the initial franking has been very much abused; and, strictly speaking, a frank should be a signature. The latter method is a very much greater protection to the department. On the other hand, I think the question might well be dealt with, and I will find out further about it.

Mr. CURRIE: The written signature is specified here in the same clause. Lots of members have often in the neighbourhood of 200 letters a day, and to have to sit down and sign that number of envelopes is a nuisance. In addition it would preclude

issuing a number of circular letters to a member's constituents. Why not change the wording so that a member's personal stamp could be adopted in lieu of his signature?

Mr. BURRELL: The facsimile can be used on all mailable matter.

Mr. CURRIE: That is only on open mail other than letters.

Mr. BURRELL: Yes. It may be a hardship. On the other hand, I know when I was Secretary of State I personally had to sign my signature to far more than 200 or 300 certificates of naturalization, company charters, and so on.

Mr. FIELDING: Is printed matter enclosed in an envelope a "letter"?

Mr. BURRELL: I presume it would be if sealed.

Mr. FIELDING: Most of the printed matter that goes out is in closed envelopes.

Mr. McKENZIE: When the stamp rate was raised from 2 to 3 cents as a war tax, the question of whether or not a constituent sending letters to his member would have to stamp them was raised, and I have a distinct recollection of the then Minister of Finance (Sir Thomas White) holding that it was in the public interest that the communication with a member should be kept free. I am disappointed to find that the privilege is being removed. I do not know why this change of policy has been adopted by the same Government.

Mr. BURRELL: Is my hon. friend drawing a distinction only so far as letters addressed to members are concerned? He does not suggest that letters addressed to all departments of government should be free? My hon. friend will understand that an enormous number of inquiries are sent in to the various departments, and in ordinary cases it would be worth a man's while if the information he is inquiring about is of any value to him at all to affix a three-cent stamp to his letter. The floods of correspondence of that kind entail a very heavy loss of revenue. However, this point can be taken up.

Mr. McKENZIE: That point was raised on the occasion I refer to.

Mr. BURRELL: It can be given consideration.

Resolution reported without amendment and concurred in.

[Mr. Currie.]

Mr. BURRELL thereupon moved for leave to introduce Bill No. 167 to amend the Post Office Act.

Motion agreed to and Bill read the first time.

On motion of Rt. Hon. Mr. Doherty, the House adjourned at 12.10 a.m. (Thursday).

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## Thursday, June 10, 1920.

The House met at Two o'clock.

### BOARD OF COMMERCE REPORT PRESENTED.

Annual report of the Board of Commerce of Canada, together with a copy of the Order in Council submitting the same.—Rt. Hon. Sir Robert Borden.

### IRRIGATION ACT AMENDMENT.

Hon. Arthur Meighen (Minister of the Interior) moved for leave to introduce Bill No. 168 to amend the Irrigation Act.

Hon. W. L. MACKENZIE KING: Explain.

Mr. MEIGHEN: This Bill provides for expropriation, where necessary, of inferior water rights for the benefit of superior water rights. In the original Act domestic, municipal, commercial, and irrigation water rights are given orders of preference in the order named. It has been found that in practice where the first or second or third, as the case may be, develops to be more essential than the second, third or fourth, there must be power to expropriate the inferior rights, paying for them what may be necessary, in order that the higher and more essential rights may not suffer. That is the main object of the Bill. One other purpose is to provide that water derivable from springs shall be in the same position as to federal control as other waters.

Motion agreed to, and Bill read the first time.

### QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

#### CLASSIFICATION OF DEPARTMENT OF MILITIA AND DEFENCE.

Mr. POWER:

With reference to an inquiry of the ministry by Mr. Power, answered by the Minister of Militia as follows:—

A classification of the Department of Militia and Defence has been submitted to the Civil

Service Commission. In every case where a returned soldier is holding a position which it is proposed to make permanent, his name has been submitted for appointment.

With regard to the other positions, it has been suggested to the Civil Service Commission that these positions should be thrown open to competition, thereby giving returned soldiers an opportunity of obtaining appointment to the same.

1. Does the phrase "other positions" in the first line, second paragraph of reply, include all positions now temporarily held by other than returned soldiers?

2. If not, what are the exceptions?

3. In connection with positions thrown open to competitive examination, will returned soldiers be given the preference, that is, will returned men who pass with the minimum qualifications be appointed in preference to better qualified civilians?

4. Will an examination of "Military Qualifications" be one of the subjects included in the competitive examinations?

Hon. Mr. GUTHRIE:

1 and 2. On the recommendation of the heads of branches, three officials were recommended to the Civil Service Commission for special appointment, viz., the Director of Separation Allowance and Assigned Pay, the Assistant Chief Accountant, and the Assistant Director of Records.

The heads of branches reported that, if these officials were not continued in their present positions, it would completely disorganize the branches, and, therefore, a recommendation ad hoc was made to the Civil Service Commission.

3 and 4. This is a matter which rests entirely in the hands of the Civil Service Commission.

## COLONEL H. A. CHISHOLM.

Mr. MANION:

1. Is Lieut.-Col. Chisholm of the P.A.M.C., who was second in command of the Medical Forces under General Foster in London, still an officer in the Medical Forces of Canada?

2. If so, what position does he hold?

3. Is it the intention of the Government to keep this man in the Permanent A.M.C.?

Hon. Mr. GUTHRIE: It is presumed that this question refers to Colonel H. A. Chisholm, C.M.G., D.S.O., who was recently employed as Deputy Director of Medical Services, Overseas Military Forces of Canada, London. If so, the answers are:

1. Yes.

2. At present employed under the Overseas Ministry in connection with winding up the Medical Services, Overseas Military Forces of Canada.

3. Yes. He is a highly efficient and experienced medical officer whose retention is in the interests of efficiency, as his record shows.

## IMPORTATIONS FROM GERMANY AND AUSTRIA.

Mr. RINFRET:

1. What is the chief nature of the goods imported from Germany and Austria in 1919?

2. What is the character of these goods for the first three months of 1920?

Hon. Mr. BURRELL:

1. From Germany.—Articles of chief value:—Articles of metal, when for use exclusively in mining or metallurgical operations. Machinery composed wholly or in part of iron or steel, and iron or steel integral parts thereof. Musical instruments. Precious stones not mounted or set.

From Austria.—Articles of chief value:—Insulators, electric.

2. From Germany. Articles of chief value:—Garden and field seeds in packages; tools, hand; penknives, etc.; articles of glass and manufactures of glass; manufactures of wood; labels for cigar boxes, etc.; photographs, chromos, etc.; manufactures of paper; braides, cords, etc.; toys of all kinds; musical instruments; precious stones.

From Austria.—Articles of chief value:—Hops; lamp chimneys; jewellery.

## CANADIAN REPRESENTATIVE AT INTERNATIONAL LABOUR CONFERENCE.

On the Orders of the Day:

Hon. H. S. BELAND (Beauce): May I ask the Prime Minister whether there is any truth in the report that the Hon. Mr. Roy, the High Commissioner for Canada at Paris, has been appointed to represent Canada at the International Labour Conference at Genoa?

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): Yes, it is my recollection that he has been appointed. I am not quite sure whether there is any other Canadian representative or not.

## SS. CANADIAN INVENTOR — DELAYED IN SAILING.

On the Orders of the Day:

Hon. W. L. MACKENZIE KING (Leader of the Opposition): On Tuesday last my hon. friend the Minister of Marine and Fisheries promised to give some information on the following day as to the delays which have occurred in the sailing of the steamship "Canadian Inventor" owing to some trouble between the company and its employees. Can the minister give us the information today?

Hon. C. C. BALLANTYNE (Minister of Marine and Fisheries): I would have given the information yesterday but that my hon. friend did not happen to be in his seat when the Orders of the Day were called. As I stated the other day, one of the causes of the delay was a strike of the painters. Happily, that has now been settled. I have also ascertained that the Coughlan Shipbuilding Company did not make the ship's shaft according to specifications, and therefore the inspection by Lloyd's and by one of our inspectors of the Marine Department has been withheld until the shafting has been adjusted. I understand this also has been attended to. The vessel is now in dry dock, owing to her having been in the water since January last. One of the clauses in the specifications provides for the docking of the vessel if the Marine Department finds that is necessary. I do not anticipate that there is anything wrong with the bottom of the ship, but inasmuch as she has to make a very long trip to Australia it was thought wise to have her docked. As far as I can judge at the moment, she ought to be ready to sail within two weeks, and probably less.

## DIRECTOR OF COAL OPERATIONS.

House again in committee on Bill No. 153 (from the Senate), (from 7th June), respecting the Director of Coal Operations, Mr. Steele in the Chair.

The CHAIRMAN: When this Bill was last before the committee section 1 had been considered and adopted. Section 2 is now under consideration; shall the section carry?

Mr. MACKENZIE KING: Mr. Chairman, when this Bill was before the committee at a former sitting I took strong exception to the minister asking Parliament to ratify and confirm matters of which the members of this House have no knowledge, and have had no opportunity of considering. This section is as follows:

> The orders heretofore issued by the Director of Coal Operations set forth in the schedule hereto attached are hereby ratified and confirmed and shall be deemed to have been lawfully made on the respective dates when they were signed by the said Director of Coal Operations.

Then there follows in the schedule not the text but the numbers of orders numbering from 1 to 144. Several of these orders are alphabetically subdivided, so that in fact there is a total of about 170 orders. The Bill was held over, that the House might have opportunity to see the orders, and I have in my hand the volume of orders which were issued by the Director of Coal Operations. It is a volume very much larger than any compilation of statutes which might be made as a result of the labours of four or five sessions of Parliament. I have gone through the orders in a hurried way and I find that they relate to all manner of subjects, the fixing of the rates of wages to be paid in different mines, the prices at which coal is to be mined, and the classes of labour to be employed; in a broad way they resemble the kind of legislation one finds in the reign of Queen Elizabeth, when the State undertook to regulate matters relating to wages and prices in accordance with the spirit of that age. I shall not take up the time of the House more than to illustrate the danger there is in Parliament attempting to ratify and confirm these orders, and to give them the force of legal enactment; I shall quote one or two sections of one order to show hon. members the kind of thing they will be enacting if they pass this clause. Order 141 contains the following:

> All men who work in and around the mines who are eligible to become members of the United Mine Workers of America must join that organization and agree to sign check-off for all dues, assessments and fines, and the management of the mines agree to forward deductions made to the Acting Secretary of the District or such other persons as that official may designate.
>
> The foregoing clause to become effective whenever the officials of the United Mine Workers of America appear on the ground in each locality and co-operate with the operators in arranging details.
>
> It is agreed that no man will be employed or be permitted to remain in the employ of the company unless he agrees to comply with the foregoing conditions.

If we enact into law these various orders it means amongst other things that this Parliament is providing that in these mines in the West no workers can be employed unless they belong to the United Mine Workers of America. That may or may not be advisable—I am not raising that question one way or the other—I should however, like Parliament to understand what it is doing, should it blindly endorse and ratify and thereby transform into permanent legislation orders issued to deal with a particular situation. I think this one clause is quite sufficient to illustrate the danger of enacting into law a great mass of regulations and orders which no member of this House has seen. If the Director of Coal Operations has been acting within the scope of his authority in issuing these orders no exception can be taken to them. If, as stated by the minister in introducing the

Bill, the parties are agreed in reference to these orders, why not leave them in agreement and allow that mutual understanding to decide matters? To give legislative force and sanction to these orders is simply to introduce into this country a system of compulsory arbitration which thus far we have not felt justified in instituting in Canada. These orders will have all the force of a statute once Parliament confirms and ratifies them; the parties to them will become liable to penalties at law, and the labour of the country will be brought into the position occupied by labour in countries where compulsory enactments govern the relations between employers and employees. I do not think that such a departure is wise; I believe it is departing from sound principle and, I hope the minister will not find it necessary to press this particular clause.

There is one other feature which might be considered and that is, whether or not this Parliament has the right to legislate in matters of contract such as wages and prices and other questions arising between employer and employee, and whether such matters do not properly come within the scope of provincial rather than of federal jurisdiction. There is at least, a doubt in the matter, and I think that where a doubt exists, the objections being as strong as they are to this kind of wholesale legislation, the Government would be well advised to let the Bill rest with confirming the Orders in Council giving power to the Director of Coal Operations to do what he has hitherto done, and not attempt to give legislative force to all of the orders he has issued.

Mr. MEIGHEN: If there is anything in the principle which the hon. member urges, it would be just as effective against the portion of the Bill which he purposes to allow to pass as against the portion he opposes. If the Orders in Council are confirmed, then undoubtedly legislation is passed of the character to which he objects. The only effect of the last clause is to still any possibility of litigation as to the effectiveness of the various orders of the Coal Director, which were based on the Orders in Council. It simply obviates the possibility of dispute, and that is all. Certainly, if the Orders in Council are ratified, then a measure of compulsory arbitration, under the circumstances that existed when the orders were passed and that still exist, is ratified. Unquestionably there was a measure of compulsory arbitration; unquestionably it was essential; and just as unquestionably it was called for by both parties to the dispute. There was no other way of getting the coal. What is the use in one breath of crying to the Government to see that coal is mined, and then in the next breath saying to the Government: "Don't do anything yourselves to get the coal mined"? This is the step that was taken. It proved effective and is proving effective to-day. Why therefore upset it? We are only asking that the course that has been pursued at the request of both parties be legalized in order that all parties, not merely through their representatives but individually on both sides, may be bound by it. That is essential. All we are asking is that what has proved a successful means of getting coal be ratified by this House until next session. If Parliament next session chooses in any way to modify them Parliament is free to do so and if Parliament does nothing, then the whole legislation dies at the close of the session. The order which the hon. gentleman read does apparently just what he says. It provides that employees shall be members of the United Mine Workers of America. There may be some objection in principle to that—I do not know; but I do know that had it not been for these very orders we would not have had any coal mined. It may have been that there was lacking reason and moderation on one side or the other; doubtless it was lacking on both sides, but we did the very best we could and got the best man we could get to go out there and see what was the best thing to be done. He went out there, did his best and succeeded. We do not want any litigation to arise over what has been done. We do not want any difficulty to be created by isolated, discontented parties, perhaps when the public interest is best served as well as the general interest of all the parties to the dispute.

Mr. FIELDING: This is the most amazing Bill that has ever been submitted to this Parliament in my memory. The whole Bill is bad. If the hon. the Minister of the Interior desires to confer certain powers upon this coal commissioner, he should come forward with distinct authority by statute to confer these powers. Irrespective of any Order in Council, he should bring in a Bill in the same way as he does in any other case. We are legislating here and legislating in a most marvellous way. We are supposed to have certain well defined procedure to guard against hasty legislation. In certain cases you must first bring forward a resolution, it must stand on the

Order Paper for a while, and then you must discuss it in Committee of the Whole. Then you must proceed to get a Bill and that Bill must go through its first reading, it must go through its second reading and it must go through its third reading. All these are parts of the machinery devised to enable an intelligent Parliament to deal intelligently with important questions. Every one of these principles is disregarded when we are asked to declare by Act of Parliament that 144 regulations, not one of which has ever been read in this House, are legal and are declared to be legal. It is the most amazing proposition that was ever made. I cannot imagine the Government are serious in asking us to do such a thing. We have been asked to do a good many things and to confirm a good many acts which have lacked authority, but this is the worst of all. The only section of these regulations that we know anything about is the one section which has been read by my hon. friend the leader of the Opposition, dealing with the delicate question of the relations between capital and labour, and declaring for a principle which may be good or bad, but one that this legislature has never hitherto declared for—that a man shall not be permitted to work anywhere unless he joins a particular trades union. That is a fair question for the labouring men themselves, but we have never before been asked to declare in this House that a man must be obliged to join a trades union in order to be permitted to work. We have no knowledge of this extraordinary budget of laws except the sentence that the leader of the Opposition has quoted. It is too difficult to argue. The idea that this House shall be deliberately asked to pass these laws, not one of which has ever been submitted to the House, and not one of which hon. members know a single thing about, is so extraordinary that one cannot understand how it ever came to be suggested. I do not hesitate to say that this is the most amazing proposition that has ever been made to the Parliament of Canada.

Sir ROBERT BORDEN: I would like to tell my hon. friend that he was for many years a member of a Government that did in effect precisely what we propose now. This is not the first time that this course has been pursued. The same course was taken by his Minister of the Interior on more than one occasion. I myself, some fourteen or fifteen years ago, induced the then Minister of the Interior to provide that the very numerous regulations which were enacted by his department under authority of law should be laid upon the table of this House and of the Senate within a certain period after the commencement of the session and that they should have force and effect until the end of the session and no longer unless by resolution of both Houses of Parliament they were affirmed and approved. I venture to say that on more than one occasion a budget of regulations was brought down by the then Minister of the Interior which was quite as lengthy as that which has been laid on the table of the House by the present Minister of the Interior. I recollect very well that I had, when leader of the Opposition, to detail a strong committee of my side of the House and that they had to devote their attention for a week or ten days at a time in order to gather some idea of the substance of the scores of regulations that were brought down. My hon. friend thought it was all right then. What is the difference between what he then supported and what he now condemns? According to my humble comprehension, there is absolutely no difference whatever. There is a certain responsibility cast upon the ministers of the Crown in connection with this matter as well as a responsibility cast upon Parliament and I desire to emphasize what has already been said by my hon. friend the Minister of the Interior, that if it had not been for these Orders in Council, passed under the War Measures Act, and if it had not been for the unremitting attention and devotion of the Director of Coal Operations, if it had not been for the most anxious consideration day and night given by the Government to his representations when matters were in a most critical state, there would have been intense suffering inflicted upon a very large proportion of the population of this country. It was only by a very narrow margin on many occasions that we succeeded in preventing such conditions in the operation of these coal mines as would have inflicted that suffering. Now the Minister of the Interior, after these regulations have been acted upon for years, simply desires that any doubt shall be removed as to their validity and that no one shall have any ground for technical objection or obstruction in a court of law. They are not new orders; they are orders which have been acted upon and which have been put to the test of experience.

Mr. FIELDING: Hear, hear.

Sir ROBERT BORDEN: The Minister of the Interior (Mr. Meighen), has but one purpose and that purpose he has communicated to the House—the purpose of preventing any trivial or technical objection being raised to the operation or validity of these orders.

Mr. FIELDING: I do not wish to discuss the merits of the actions of the Controller of Coal. It may be that what my right hon. friend (Sir Robert Borden) says is correct, that what was done had a very beneficial effect. I have not raised that question at all. If all that my right hon. friend says be true, and although he may prove that I have been somewhat inconsistent—suppose that may be admitted for the moment, although I do not admit it—does that alter the merits of the question, does it affect the question of the responsibility of other hon. members of this House? They are not responsible for what I did years ago if I did what the right hon. gentleman says. I have no recollection of the particular orders to which my right hon. friend refers, but according to his own statement these orders proposed to make certain regulations and they were submitted to this House for the approval of Parliament. It was not a case where we were not submitting them to the House for approval. But here is a case where regulations have been passed for months and things have been done under them, some of which may not have been legal, and we are asked now to declare that everything that was done under these regulations was legal. The right hon. gentleman says that their object in proposing this legislation is to prevent any question arising hereafter. If they acted lawfully why do they want a whitewashing Act of this kind? If they acted unlawfully, why do they want a whitewashing Act?

If it is lawful then they do not need this thing. I again say to my hon. friend that I have no recollection of the cases mentioned by the Minister of the Interior. I assume that what my hon. friend says in that respect is correct, although I think even as he states it the minister brought down, under authority, a body of regulations which were to be approved if they remained on the table of the House for a given period and were not condemned. However, I do not want to dwell on that. The hon. member may perhaps be right, if it serves any good purpose in saying that I am inconsistent, although I do not think I am. However, that is not the point to-day. The point is, that this Parliament ought not to be called upon, not only to authorize these things in the future, but to authorize those things that have been done in the past when they may not be legal. Are we going to set aside all thought of legislative power by this Parliament and allow the Government to lead us blindly not only in endorsing everything as to matters about which we are informed, but also as to things that we do not know anything about?

Sir ROBERT BORDEN: In reply to my hon. friend I have to say that the distinction which he has attempted to draw does not exist. The Orders in Council to which I have alluded were not passed by the Minister of the Interior but by the Governor in Council upon his recommendation, and after having been so passed they came into immediate operation and continued in operation until the end of the following session of Parliament, but no longer unless they were approved. I do not think that very much fault can be found with such a practice because the regulations are of so minute a character and so exceedingly numerous, that it would have been utterly impossible for Parliament to occupy its time properly in dealing with administrative orders of that character; it would be utterly impossible for Parliament to undertake administration in that way. But inasmuch as important matters of administration might be involved, inasmuch as matters of policy in some cases might be involved, I persuaded the Minister of the Interior of that day to depart from the practice which had prevailed before and to have these Orders in Council operate only until end of next session of Parliament, unless ratified in the meantime by resolution of the House. But what is this situation? Precisely the same. The Government had power under the War Measures Act to make certain Orders in Council. Under these Orders in Council a Director of Coal Operations was appointed. He has done his work and I think he has done it well. I think his work has prevented a great deal of suffering which otherwise might have been inflicted upon the people of this country. The War Measures Act is no longer to be acted upon. Therefore we come to Parliament asking it, from the very necessity of the situation, to continue these Orders in Council until the end of the next session, and no longer, just as the regulations of the Minister of the Interior in the old days were continued until the end of the next following session and no longer.

Mr. MEIGHEN: And now?

Sir ROBERT BORDEN: And the same practice prevails now in the legislation of the Minister of the Interior. Therefore I hope my hon. friend will not think that under the circumstances there is any divergence in this respect from the practice that has been pursued in the past. I alluded to the action of the old Government merely for the purpose of showing the established practice in respect of administrative orders which had to be brought to the consideration of Parliament but which could not be enacted, or dealt with in the first instance by Parliament itself. What was the practice in those days continues to be the practice still in the Department of the Interior; and in dealing with this matter as we did under the War Measures Act, and in bringing the matter to the attention of Parliament as the Minister of the Interior has brought it to-day, we are simply carrying out a principle embodied in that practice and acted upon not only by this Government but by the Government which preceded it.

Mr. MACKENZIE KING: My hon. friend has spoken of the Orders in Council that were passed conferring authority upon the Director of Coal Operations and from his remarks I would judge he feels that we are proposing in some way to take away the power that has been given the Director of Coal Operations under these Orders in Council. We have no intention of doing that. As a matter of fact the powers, duties and rights given to the Director of Coal Operations under Orders in Council are expressly continued. Now we are going a long way, I think, in ratifying those Orders in Council, and continuing them for another year. If we had taken exception to giving these powers under Order in Council, and had required them to be expressed in legislation through a Bill brought into the House and discussed in all its stages, we would have perhaps been taking a course more consistent with the protection of public rights in the matter. What we are taking exception to now is that having granted certain rights to the Director of Coal Operations by Order in Council, we are being asked by section 2 to confirm as legal everything that that Director of Coal Operations has done, whether or not he has gone beyond the powers given him by Order in Council. If the Director of Coal Operations has not exceeded any powers given him by Order in Council then all these orders which have been issued by him will be perfectly valid. But if he has exceeded those powers and has gone further than he was authorized to do by Order in Council, why should not the parties who may be aggrieved have the right of redress? This measure proposes to deprive of redress any man who believes that his rights have been infringed by virtue of the Director of Coal Operations having exceeded his power.



Sir ROBERT BORDEN: I think my hon. friend perhaps does not quite realize the extraordinary ingenuity, on some occasions, of members of my own profession in taking exception on very technical grounds to Orders in Council —or to Statutes for that matter—even if great care has been taken in framing them. These orders have been acted upon for years, and the only purpose of the Minister of the Interior, as expressed by him, is to prevent the possibility of unnecessary and vexatious litigation, upon some minor technical point, whenever some ingenious member of the legal profession would see fit to question the exact validity and the conformity of any one of these orders of the Director of Coal Operations. The Director of Coal Operations is not a lawyer himself; he is a business man. He has had to make these orders offhand, and to couch them in his own language, and I think it would not be conducive to the public interest that minor technical objections should be raised to them on some occasion by any lawyer with an exceedingly acute mind. As I understand it that is all my hon. friend, the Minister of the Interior, has in mind.

Mr. MACKENZIE KING: If my right hon. friend's remarks mean anything they mean that the person who has been appointed to this office is a man who may or may not make blunders, and that if he has made blunders there is to be no mode of redress in regard to those blunders. I would ask the Minister of the Interior if any exception has been taken by any one to any order that has been issued. Has any one of them been called in question?

Sir ROBERT BORDEN: Before the Minister of the Interior answers the question I would ask my hon. friend whether he knows of any human being in his acquaintance who is not liable to make blunders some time?

Mr. MACKENZIE KING: I would answer my right hon. friend by saying that I do not, but inasmuch as human nature is apt to err it is necessary to take precautions to see that when that does occur the rights of third parties shall not be prejudiced thereby. We believe that the Director of Coal Operations, being human, may

have exceeded his powers in a manner which may have injured third parties, and we on this side are asking that Parliament should not take from any person who has been deprived of his rights the recourse to that redress which the law of the land affords. I am quite prepared to admit with my right hon. friend that lawyers may be fond of technicalities—

Mr. McMASTER: Question.

Mr. MACKENZIE KING: —but the law means something and justice means something, and we have the law to see that justice is done. I do not think we should take away from individuals who are not lawyers the right of getting redress to which under the principles of ordinary justice they are entitled.

Mr. MEIGHEN: I have no difficulty at all in answering the hon. member. The Director of Coal Operations has been discharging his duties for, I think, three or four years. At the present time I am not aware of one single objection on legal grounds to anything he has done; so far as I know the Minister of Labour has never been informed of any; certainly there is no substantial matter in dispute. Undoubtedly all the director's decisions were questioned on grounds of policy and of fairness by both sides, but they were acquiesced in generally. Now, is it going to be a matter of justice or injustice to pass this legislation? Suppose the ingenuity of the legal profession can find that some excess of power was exercised and acquiesced in under an order made, say, three years ago and acted on ever since; is there going to be more suffering and injustice by upsetting the whole thing and injuring rights that accrued by virtue of the order,—unscrambling the whole state of affairs, than by quieting and settling matters as acquiesced in by both sides? Which course is going to most conduce to order and justice? If a person can find something technically wrong with any of these orders, that person may not have suffered at all, the defect may be something really trivial and technical in character; but if he upsets the order, who else is going to suffer but innocent parties everywhere? And there will be confusion in control, and parties who ought not to suffer at all are sure to suffer. In a word, there will be a thousand times more suffering by upsetting any of these orders than could possibly follow by Parliament quieting and settling matters as they are at present. I admit that if some substantial question of law were in dispute between the parties it would not ordinarily be right for Parliament to come in and get on the side of either party in an endeavour to settle the dispute. But that is not the case here at all; there is no question in dispute that I know of. I do not know whether there is likely to be any dispute, but clearly as both sides have acquiesced in everything to date, if there be any dispute it must be purely technical or we would have heard of it.

And look at what would happen if that question when raised should be upheld by the courts. That is the reason for our taking this course. It is not that we are getting on the side of any litigant, it is not that we are seeking to do injustice; we are seeking to stop a process that might lead to great injustice.

Mr. FIELDING: I am sorry that the hon. the Minister of Finance is not present as he might gather from the observations of the Prime Minister and of the Minister of the Interior that he would have an opportunity to save a great deal of money if he could just simply abolish the courts, because that is what is proposed to be done here. Both the Prime Minister and the Minister of the Interior have spoken of the ingenuity of the legal profession. Do they imagine that that ingenuity is likely to be confined to seeking flaws in legislation of this character? Do they not know that that ingenuity can be applied to questioning every Act we pass here? I venture to say that for a $500 fee you can engage an able lawyer to raise doubts as to the propriety of any Act of Parliament. But we do not consider that a sufficient reason for validating everything that has been done. The Minister of the Interior says that so far as he knows there is no question in dispute between the parties. If that is so, what is the necessity for this legislation? And if there is any question in dispute, why should we undertake to turn out of court any man in this Dominion who has or imagines he has a grievance? You can dismiss any man's case by saying it is of a trivial or a technical character; but no point of law is trivial or technical to the man whose honour, person or property is affected. And I say that all the arguments advanced by the Prime Minister regarding the ingenuity of the legal profession furnish no sufficient reason why we should turn out of court any man whose interests may be affected by these orders.

Sir ROBERT BORDEN: I think what is proposed by the Minister of the Interior is

very mild indeed compared with some legislation to which my hon. friend (Mr. Fielding) committed himself in days gone by, because I can recollect that he caused to be passed by the Legislature of Nova Scotia an Act taking away the right of action from individuals. Surely this is a very mild dose of Parliamentary ratification compared with that Act.

Mr. FIELDING: My right hon. friend shows the weakness of his case when he undertakes to refer to some alleged legislation which I was connected with in times past. I do not know to what the right hon. gentleman refers, and I do not think he has good ground for what he states. But surely to argue that because I did a wrong some years ago is good reason for the action of the Government in this instance, shows the inherent weakness of the position now taken.

Mr. MEIGHEN: The member for Shelburne and Queen's rose in his place and pronounced this legislation the most amazing in character and principle that he had ever heard of.

Mr. FIELDING: I think so.

Mr. MEIGHEN: Then it is not at all relevant to show that he was himself a party to like legislation on other occasions?

Some hon. MEMBERS: No.

Mr. McMASTER: Two blacks do not make a white.

Mr. MEIGHEN: But is this the most amazing legislation if he himself has put through legislation of the same character? If he had not himself made the comparison, perhaps he might shield himself behind the fact that two wrongs do not make a right. But he stated to the House that there had never been anything like this since the days of Confederation. We have shown that he is wrong.

Mr. FIELDING: No, you have not.

Mr. MEIGHEN: We can show the same thing on the pages of every statute since Confederation.

An hon. MEMBER: All right; show it.

Mr. MEIGHEN: Only last year what was done when the Newsprint Control was continued? Why did not my hon. friend pronounce that to be an amazing innovation? Newsprint Controller, first of all stalled by Order in Council under the War Measures Act, was confirmed in office, his actions were approved, and litigation was stopped. The regulations that the Prime Minister refers to were brought into this House and had to be approved by this Parliament. Never have they been written out in the law, they have always been laid on the table of the House, and therefore one might say that they have been approved in the aggregate. Would any one suggest that we ought to embody that whole volume of Orders in Council in a statute?

Mr. BUREAU: Why not?

Mr. MEIGHEN: There is no other way of doing it than the way we are following now. It is the proper thing to do, and certainly will conduce to less injustice than any other course we might take.

Mr. MACKENZIE KING: Mr. Chairman, I have ventured to cite only one of these orders, but I think perhaps it would be well to give the House some further information as to the nature of others. If the minister looks at regulation 124 he will find it provides that nine hours' pay shall be given for eight hours' work. I want to ask my hon. friends opposite: Is that a principle that we as a Parliament wish to endorse? If it is to be adopted for the miners in British Columbia, why should it not be adopted also for the miners in other provinces? Why should we legislate to give nine hours' pay for eight hours' work to one body of men who happen to belong to one particular trade union, and at the same time enact that no man shall get the benefit of that increased pay unless he belongs to that particular union? It is not consonant with the defence of individual rights and liberties for Parliament to enact such legislation. Then take order 136, which gives boys over eighteen years of age the pay of a man. If a boy of eighteen is to receive a man's pay in these particularly favoured regions, why should he not get it in other parts of the Dominion?

The real point at issue is not the particular local situation in British Columbia, because the laws of this Parliament are made for the whole Dominion; it is whether Parliament itself shall be brought into contempt by enacting a mass of legislation of which it is wholly uninformed. Here is a mass of typewritten orders of practically 1,000 pages, fixing the hours of wages, the rates to be charged for the different mining operations, the price to be paid for coal, and providing for all kinds of special conditions which may or may not arise. Now, if the Director of Coal Operations has exercised his powers in an honest and

fair way, no one is going to suffer by allowing matters to stand as they are. Hon. gentlemen opposite have on previous occasions said that we should let well enough alone. When my hon. friend (Mr. Meighen) tells us there is no dispute or disagreement regarding these particular regulations, I reply: Leave well enough alone, but do not ask this Parliament to enact legislation which will require nine hours' pay to be paid for eight hours' work; which will allow a workman to work in certain mines only if he belongs to a particular union; which will fix a definite price for coal which cannot be changed either way whether the operator wishes to change it or not; which changes the rate of wages, the hours of labour, and other matters affecting the miners irrespective of whether they wish it or not. There are principles that are fundamental in this matter. It is bad enough to carry on industy in that fashion under Orders in Council, it is wholly inexcusable for Parliament to give its sanction to that kind of paternalism and favouritism.

Mr. ROBB: It is clearly pointed out by the leader of the Opposition (Mr. Mackenzie King) that under these regulations which we are now asked to confirm the principle is laid down that in certain mines only members of a certain union may be employed; that before a man can obtain work in order to take care of his family he must join a certain union. It has also been pointed out that men are allowed nine hours' pay for eight hours' work in certain particular mines. The Prime Minister has told his supporters and told the committee that in this issue now before us a question of principle and of policy is involved. Does that mean that we are invited to legislate that men must belong to certain unions before they can obtain work; that possibly to-morrow it will be provided that men must belong to certain unions before they can obtain work in manufacturing or farming industries throughout the country? I submit that a very wide policy is involved in this question, and for that reason I am not prepared to support the legislation proposed by the minister.

Mr. MEIGHEN: The point raised by the hon. member is well worth a moment's discussion. Parliament, by ratifying these orders, does not support any principle such as the hon. member calls in question; it does not take any side one way or the other. In this emergent case, in order that coal might be produced and that people might live rather than freeze, it was found necessary to make orders of this character. It is in the public interest that these orders as between these parties be confirmed; that is all. Parliament takes no stand in favour of nine hours' wages for eight hours' work or for eight hours' wages for nine hours' work, nor does Parliament take a stand in favour of the closed shop or anything else of that kind. Parliament simply says that a settlement of a dispute which, had it not been settled, would have brought great hardship on the people of Western Canada, shall stand as made under the circumstances prevailing at that time. No academic question is involved; we are simply confirming settlements that have been made of disputes in a particular area for a particular purpose.

Mr. MACKENZIE KING: What we are doing now does not relate merely to the past. We are making these orders binding for another year, until after the next session of Parliament. When clause 1 was before the committee I suggested that instead of making these Orders in Council binding until the end of the next session we should provide for their expiration at the end of the present fiscal year. But the minister refused to do that, he was so keen on extending the period that much longer. So what we are doing now is to legislate on these matters of wages, hours or work and prices for the period of another year.

Mr. MEIGHEN: The hon. member is not quite right. We do not fix wages or hours of work; we say that orders so made were good and that they shall stand as good. But under the powers of the Orders in Council which we ratify, they are alterable at any time by the man who made them. If they are found not to work well between now and the end of the next session of Parliament, they can be altered. We are simply holding the situation and determining that what has been done is legal, subject to the same powers of alteration as have all along existed.

3 p.m.

Mr. SINCLAIR (Guysborough): My hon. friend says that this proposal does not support any principle one way or the other, but he will admit that if we adopt this legislation we are creating a precedent which will be relied upon in the future. For example, if the employees on the Government railways or of the Public Works Department ask for nine hours' pay for eight hours' work, the Government or Parliament cannot very well refuse their request because they have already made a

similar arrangement with the miners in British Columbia. That is the point which I find some difficulty about. I would like the minister to explain how he is going to get rid of the precedent if Parliament adopts it in this Bill.

Mr. MEIGHEN: Parliament does not adopt a precedent. Parliament simply ratifies something that has been done. In itself it may have been right or it may have been wrong, but in the circumstances under which it was performed it was right and served an essential purpose. Even were a closed shop wrong, it would be far better to have a closed shop than frozen homes; we chose the one in place of the other. Now we say: do not let that be called in question; if you do there will be great confusion and great injustice. There is no precedent about it. It may have been, as a matter of principle, right or wrong; but as a matter of emergent action it was undoubtedly right and effective.

Mr. MACKENZIE King: Does the minister see where he is getting to in the matter of future disputes? If the argument is to prevail that there must be either a closed shop or frozen homes, we may expect a good deal in the way of industrial controversy in this country that we have not hitherto experienced. Why imagine a situation when there is no ground for so doing? But my purpose in rising was to ask the minister if he has copies of the Orders in Council themselves.

Mr. MEIGHEN: Yes, I will send them across to my hon. friend.

Mr. CROTHERS: Prior to 1911, when the present leader of the Opposition (Mr. Mackenzie King) was Minister of Labour, he experienced great difficulties in dealing with labour troubles in that part of the country that we have been talking about,—part of Alberta and the southeasterly part of British Columbia. He did everything possible to allay the unrest that prevailed and to overcome the labour difficulties that had been experienced for some years. When we came into power in 1911 we experienced difficulties, perhaps not quite so serious as those which my hon. friend had to deal with, but difficulties just the same. Subsequently we came to the conclusion that it would be in the interests of the country to appoint a competent man to be on the ground and to give him power to deal with these difficulties as they arose. We thought then and we think now that we found a man, in the person of the present Director of Coal Operations, who was exceedingly well qualified to deal with such matters; a man who had had large experience in dealing with labour men, who had a business of his own, and who sacrificed a great deal, at our earnest solicitation, to accept this position. We could not have found in Canada a man better qualified to deal with such matters. A man of kindly disposition and conciliatory temperament, we felt sure that he would succeed in getting the employer and the employees to look at things from the same viewpoint, in the interests of the country. At that time we had authority under the War Measures Act to do certain things. To that War Measures Act Parliament agreed in August, 1914, without a dissenting voice, if I remember aright. It conferred certain powers upon the Governor in Council because it would have been impossible to deal through Parliament with conditions that might arise from time to time while we were engaged in the Great War. It was under this power given to the Governor in Council that these orders were passed after August, 1914. The Coal Director was given jurisdiction over the whole province of Alberta and that portion of British Columbia from its easterly boundary to the summit of the Rocky Mountains. During the time Mr. Armstrong has been Director of Coal Operations in that vast area where there are about fifty different companies operating and producing coal, he has made all these orders. His function generally was to get the miners and their employers together and reach an agreement as to an infinite number of things—wages, hours of labour, and other conditions. The conditions differ in the fifty different companies that are operating mines in the whole province of Alberta and the southeasterly part of British Columbia. It has been said here that 144 agreements have been entered into and sanctioned by order of the Coal Director. What happens if these orders go by the board? Some of them may extend for another year. I fancy that there are agreements entered into under orders made by Mr. Armstrong that will not terminate for another year, until the end of the next session of Parliament. You can see in a moment that if those orders are all to be done away with and we are to start in and scrutinize all these orders that have been made affecting the fifty different companies in that vast territory, we could not do it during this Parliament because we would have to hear both sides. It strikes me that it would be a very serious matter

indeed to interfere in any way with these orders that have been passed by Mr. Armstrong. It would probably bring about chaos in the mining operations in that whole area. Therefore, I regard it as of the utmost importance that sanction be given now not only to the Orders in Council touching the appointment of the Coal Director, but to the orders which he has made, the setting aside of which would bring about very serious labour troubles in that whole area.

Mr. MACKENZIE KING: These Orders in Council should have been brought down along with the orders of the Director of Coal Operations. I say further, they should have been laid on the table of the House as soon as Parliament met.

Mr. MEIGHEN: I am not sure but what they have been laid on the Table. Undoubtedly they were published in the Gazette.

Mr. MACKENZIE KING: Now that the Orders in Council have been produced I should like to read a paragraph or two setting forth the powers given to the Director of Coal Operations. I think Parliament will feel that with these powers about enough is being done in the way of arbitrary enactment. The Order in Council of the 25th of June, 1917, reads in part as follows:

2. The Director shall have power to make all necessary investigations and inquiries respecting wages, holidays, hours of labour, and other labour conditions, and respecting all other matters necessary to, connected with or affecting the cost of and the production of coal and coke, the resumption of the production of the same, and the continuance of such production in the said district during the present war, and for three months after the end of the said war.

3. The owner, agent and manager of every coal mine and the owner, agent and manager of every coke producing plant within the said District 18 and where the owner of any such mine or coke producing plant is a Company, every director of the Company shall comply with the orders and direction of the Director in respect of the matters specified in the last preceding paragraph and generally in connection with the management, operation and use of the mine or of the coke producing plant as the case may be and if he fails to do so he shall be guilty of a summary offence against these regulations.

Then in the Order in Council of the 15th of November, 1917, there is this additional power:

And whereas it is deemed expedient that the said obligations should be imposed upon the said employees, and that the Director of Coal Operations should be authorized to notify the Commissioner of the Royal Northwest Mounted Police of any failure to observe his orders and directions on the part either of said owners, agents and managers or said employees, and that the said Commissioner should be instructed to enforce the observance of such orders and directions;

Therefore,

Certain changes are made, of which the following is the last one cited:

Upon the failure on the part of any such owner, agent, manager or employee to comply with any of the orders and directions aforesaid the Director shall notify the Commissioner of the Royal Northwest Mounted Police of such failure, whose duty it shall then be to take such means as he may deem expedient for the enforcement of such orders and directions.

Here we have powers given by the Governor in Council to the Director of Coal Operations to do almost anything he pleases and to authorize the Northwest Mounted Police to come in and compel obedience to his orders not only by the managers, but by all the workmen in these particular mines. I think that is going about the limit by way of arbitrary enactment in dealing with industrial questions; and to come now to Parliament and say that in addition to all those powers which have already been given, and which may be exercised at any time, we should give legislative sanction to every order that has been made, whether it is in accordance with these general powers or not, is simply making Parliament a mere echo of the will of a single man who has been put in the position of an autocrat over a large portion of the industrial properties of this country.

Mr. MEIGHEN: The House at this stage may not appreciate as keenly as some of us do who were very close to the difficulty, the circumstances that obtained when these orders were passed. Undoubtedly the powers given were wide. Although I was not the minister directly in charge—indeed, I am not now the minister who is responsible initially for this Bill—still as a member of the Government I very well recall the anxious periods that we did go through just arising from and in relation to these coal disputes in Western Canada. It is easy at this distance of time to look back and say that these are wide autocratic powers, and that this man was put in a position of absolute control, and surrounded with the Mounted Police to do his work. That was done, but if the hon. gentleman had had before him the perils we were faced with at that time, he would have thought it was a time for real action instead of a time for disputation and nice academic discussions about power. The steps we took had to be taken. It was a question whether they would prove effective. We

were abused at that time chiefly by the coal operators, the owners of the mines, and the rulings of Mr. Armstrong were not only impugned but ridiculed as leaning altogether on the side of labour. But Mr. Armstrong felt as we did, that the thing that had to be got was coal, and we got the coal. The miners acquiesced and the operators acquiesced in Mr. Armstrong's orders, and surely it is the part of wisdom now to see that the question is settled, although it is not all through yet. The difficulties are not all passed by any means. I think if the leader of the Opposition went through those mines it would not take very long to convince him that just some such system of operation and of settlement of disputes as has been installed must be continued for some little time, at all events. I do not think it would take the miners themselves long to convince him or anybody else that that is essential. What I want to impress upon the committee is this, that standing here two thousand miles away—and also in warm weather—and two years distant from the most crucial time, it is very easy to under-estimate the emergency that really confronted the Government at that time, and not only once but times almost without number. One trouble followed in the wake of another, and the very gravest apprehensions filled the minds of the people of Western Canada as to what ultimately would be the result. A government does not very often get credit for the errors that it does not commit. Here is a case where the result was as we sought, where grave danger and grave suffering were avoided by this means. The only question now is whether or not some one yet unknown is to be allowed to frustrate the good that has been done. So far as I am aware there is no question in dispute; there certainly cannot be any substantial question in dispute, and it is in the interest of the whole community that no one shall be allowed to go back and rip up the whole proceedings right from the beginning and throw the country into chaos.

Mr. LAPOINTE: The minister says that the difficulty is far from being settled and that there is still need of such legislation as was enacted by those Orders in Council. Now, Mr. Chairman, we are passing legislation here for which we shall be responsible, and we are doing it without knowing exactly what is its character. That is what I complain about. The rules of Parliament require that every piece of legislation that is passed must have three readings; the principle of the measure which is enacted must be discussed on the second reading and the details considered in committee, so that the public may be properly safeguarded. It is but right that this should be so, and I say that the rules of Parliament must now prevail. This country, among other misfortunes, has suffered from a dangerous disease, that of being ruled by Orders in Council. We thought that the period of such government was over, and it is over, at least so far as the determination of the people is concerned. The legislation which will be enacted in this Bill should follow the ordinary course of parliamentary enactment, and Parliament must be supreme in the future. The fact that this particular thing may have been done in the past does not alter the general principle at all. We are being told too often that the same things have happened in the past. Well, Sir, there are many people in this country at the present time, in all the provinces of Canada, and particularly among the younger generation, that are not going to endorse and approve of things that have been done or made in the past simply because they belong to the past. The tu quoque argument is a weak one.

Mr. BELAND: It is worn out.

Mr. LAPOINTE: It is a weak argument and it has never been used in so cynical a manner as this afternoon.

Mr. MEIGHEN: I find no fault with the principle which the hon. member urges, but I do not see what application it has to this case. Has this Bill not to be read three times in the Senate?

Mr. LAPOINTE: Certainly.

Mr. MEIGHEN: Has its principle not been discussed on the second reading? Why, this Bill has passed through several stages. It was introduced and a debate was precipitated at that stage. It was read in the Senate a first time, a second time, and a third time.

Mr. LAPOINTE: The minister knows very well that I am referring to the Orders in Council and not to the Bill.

Mr. MEIGHEN: I know that, and I shall come to the point in a moment.

Mr. VIEN: The Bill does not say anything.

Mr. MEIGHEN: It was considered in committee in the Senate, read the third time

and passed. Here it has been introduced, read the first and second times and now is in Committee of the Whole. Now, the hon. member says that the Orders in Council have not been read. Does he want them read?

Mr. LAPOINTE: I want to read them, surely.

Mr. MEIGHEN: Well, they have been two days on the Table.

Mr. VIEN: They have not been distributed.

Mr. MEIGHEN: If hon. members want to read the Orders in Council and are in earnest about it no one has ever denied them the right to do so. They have never asked for them, and if they are in earnest about wanting to read them I will not stand in their way. So what point is there in the hon. member's contention? Why, in the legislation passed before, all that was required to ratify the regulations was a resolution. All these preliminaries on which the hon. gentleman lays such stress, namely, the first, second and third readings, did not have to be gone through at all; the matter was passed by a resolution in the House. This Bill has to go through the various stages of every Bill, and while it is in progress hon. members surely have an opportunity of reading the orders of the coal director or the Orders in Council if they so desire. Consequently the indignation which my hon. friend simulates is poorly based. If he wants time to study these orders I do not think that any one is going to deny him that right; but I fancy that after he has done that he will come back in about the same disposition as he is now in, having a grievance of which there is no justification.

Mr. BUREAU: The answer which my hon. friend has given is his customary reply. He dances so well around a point that we see nothing; we just hear a whizz and lose sight of the point altogether. This is only quibbling. There are certain things which we have to ratify, but the substance of the Bill, which consists in 150 orders which were issued by the Fuel Controller, is not printed. My hon. friend from Quebec East has raised a point which I think is well taken. I say, Mr. Chairman, that either the Government had a right to make these orders or they did not. If they had the right to pass these Orders in Council, and there is nothing improper about the matter, why should there be any necessity for legislation now? If the orders issued by the Fuel Controller are equitable and perfectly satisfactory, and there is nothing of which the Government need be apprehensive, what objection is there to having the whole matter freely studied? Why come before Parliament and ask hon. members to ratify orders about which they know nothing? The contention of the hon. member (Mr. Lapointe) is that the Bill does not properly present to Parliament the real purport of the legislation which we are asked to pass. We are called upon, without having had any opportunity to study them, to pass upon some 150 orders touching all sorts of subjects, and I submit that Parliament is entitled to have attached to the Bill, as so many schedules or whatever you may choose to term them, the various orders that were issued, and we ought to know precisely what they are. Is Parliament going to lay down as a principle that when the Governor in Council has authorized a man, under a measure of expediency, to do certain things, without any examination we are going to ratify what is done even though we may deprive of any redress some one who has been wronged? I think the principle is vicious and I for one cannot support it. These Orders in Council were either necessary or they were not at the time they were made. If they were necessary and the extraordinary circumstances of the time at which they were issued justified them, even though perhaps they may have been somewhat autocratic, the Government ought to have nothing to fear, and no court in the country, taking into consideration the peculiar conditions that called for them, would condemn the issuing of them. On the other hand, if a wrong was done to any one, this Parliament cannot under any circumstances commit itself to any act that will deprive that person of the right of redress. My hon. friend says that these orders have been on the Table for two days. Well, Mr. Chairman, we have been sitting here very late at night. We were here until one o'clock night before last and until midnight last night and the House now meets at two o'clock in the afternoon. Furthermore, we have been attending the Railway Committee at ten o'clock. Does my hon. friend, in view of that fact, seriously suggest that we could find time to read such a multitude of orders? It is not fair. Besides, only one copy has been tabled. These orders ought to be printed and the people should know what rules were made by the Fuel Controller; We are asked to ratify those orders now; you ask that the authority of the Fuel Controller be continued for a further period.

The orders which we are now asked to ratify were issued under Orders in Council passed in June and July in 1917 and February, 1918. At that time conditions were abnormal. The minds of the people were unsettled, and the necessity for prompt action might have existed. It is now two years since the signing of the Armistice, however, and we are asked that the Fuel Controller, who was given powers under extraordinary circumstances in a time of great emergency, shall have his authority continued for another year. There must be some reason for this. We are not in a state of war to-day, and the same emergency does not exist. Parliament is now in session, and if there are any particular cases which the minister knows of or which he expects may arise in the near future why should he not inform Parliament of the fact so that we may know what the authority of the Fuel Controller ought to be in these cases. I submit that the point of my hon. friend (Mr. Lapointe) is absolutely well taken, and that it is not an answer for the minister to say that this Bill will follow the usual procedure. What we want to analyse and to study are the orders issued and I content that the substance of those orders should be made known to the people. They ought at least to be attached, as a schedule or as exhibits, to the Bill and they ought to be discussed in committee before they are approved of.

Mr. BURNHAM: Did not the leader of the Opposition say in his speech this afternoon that he would have agreed to the Government's proposition in regard to this matter if it had not been that they proposed to carry it on for another year?

Mr. MACKENZIE KING: I said that we had gone very far in allowing the first section to pass which extended the powers given the Director of Coal Operations under the several Orders in Council mentioned; that we had gone quite far enough in giving him an opportunity of continuing orders which he may have issued, but that we are going too far in seeking to legalize any orders which may not have been in accordance with the powers given him.

Mr. MICHAEL CLARK: I would like to be as clear as to whether the validation of this order will have any bearing whatsoever upon the powers of this official. For this purpose I see these orders are continued in operation until the end of the next session of Parliament.

[Mr. Bureau.]

Mr. MEIGHEN: If the orders are in every sense, technically and otherwise unimpeachable they will have validity through the sustenance of the War Measures Act. But they would not after the War Measures Act had passed out of existence; consequently they would be of no value now. The Justice Department has never affirmed that as a matter of law but the better opinion is that their validity rests upon the War Measures Act and that when that Act passes out of existence they must be renewed. It is represented that we are past the war, past the Armistice and there is not the same necessity as formerly existed. It is not more than three days since that hon. gentlemen on both sides of the House drew the attention of the Government, most forcibly and rightly so, to the rather serious coal situation at the present hour. Is it well in face of that situation, that everything should fall to the ground in district 18 and that we should be precipitated back into a condition where we will have strikes instead of work, idleness instead of labour? Is it not better that we should continue that formal control which all along has been responsible for coal production in the tremendous coal area of Western Canada? That is what the Bill does. I do not find any objection to hon. gentlemen wanting every opportunity to study the orders but hon. gentlemen who resist this Bill are seeking to bring us back into that condition. That is at all events the goal towards which they are moving whether they intend to or not. It is urged that these orders should be printed as an appendix to the Bill. Why do we not do that with all regulations that are made? We would hardly be able to get the volume of our statues through the door if we were to follow that practice. These Orders in Council in themselves would make a pretty cumbersome statute. It is only right that hon. gentlemen should be able to see them to find if there is anything they can add to them. I do not believe they think they can. These orders are orders which have proved effective. Prima facie, that is sufficient for the House. If there is anything that could be called attention to, any litigation, any dispute that ought to be decided, Parliament should not get on one side or the other to the dispute. But there is nothing of that kind, we must ask Parliament to remove the possibility of any one, on trivial or technical grounds, tearing the whole thing down, obliging us to go way back to the beginning again and

bringing chaos and confusion. That is the only purpose of the Bill? I am introducing it as representing the Minister of Labour. I do not think there is any one in Canada who has as intimate a knowledge or appreciation of the difficulties in that district as the present Minister of Labour. I do not believe that we could ask that this Bill be passed if we were not thoroughly convinced that it was essential to take care of the conditions now prevailing.

Mr. MACKENZIE KING: If section one is allowed to stand, would the Director of Coal Operations not have power to continue all these orders?

Mr. MEIGHEN: He could continue certainly until Parliament legislated the other way. That is what he has been able to do right along.

Mr. MACKENZIE KING: We are asked to approve of orders which the Director of Coal Operations could continue without legislation.

Mr. MEIGHEN: No. He could under the War Measures Act but his powers under that Act have lapsed; he cannot do anything now unless we give him power to do it.

Mr. MACKENZIE KING: We have given him power by section one of this Bill.

Mr. MEIGHEN: That still leaves this point: that if in any way unknown to himself—and unknown to us as far as that goes—he may have in a technical sense exceeded his powers or not particularly followed them, then some one by proceedings in court might go right back to the whole institution of that order, throw into confusion all that has been done, and set up contentions here and contentions there that would bring the whole coal district into a state of paralysis. Anybody can see that. Consequently we want to confirm what has been done, not because it was wrong but because it has been acquiesced in, and because it is in the public interest that it should remain.

Mr. BUCHANAN: As member for a constituency which is affected by the measure which has been discussed I would say that during the period the commissioner has been in existence there has been more industrial harmony in the southern Alberta coal field than at any time previous. The mines have operated more regularly, and there has been less conflict between the employers and the employees than in any similar period of years in the past. It is true that there is a difference of opinion on the part of some of the employees over some of the orders that have been issued; but I make this statement: That if there had not been any coal commissioner in existence that same trouble would have arisen, because the operators themselves, in their association and as individuals, would have demanded that similar orders apply in their mines. A rather peculiar situation has arisen. Prior to the appointment of the coal commiissioner there was a great deal of hostility on the part of the operators towards the United Mine Workers of America; but owing to difficulty that arose a few years ago, and when there was an attempt to form a new association, the operators practically ran into the arms of the United Mine Workers and they now demand that there shall not be any other organization in the mines but it. Therefore I say that even without the order from the coal commissioner, concerning the United Mine Workers, that has been mentioned the operators would have demanded the same thing even if they had been operating apart from the commissioner altogether.

It must be remembered that this order does not apply to all the coal mines in the province of Alberta. It only applies—I think I am safe in saying this—to the mines within the Operators' Association, because I know of a mine in the Taber field east of the city of Lethbridge, that is not under the control of the coal commissioner. The mines within the Operators' Association are under his control. Now what has happened under the rule of the coal commissioner? We had very little trouble in the coal fields of Alberta at the beginning of the winter season—in the late fall and the early winter. I only know of one case since the coal commissioner was appointed where there was serious trouble in the mines. That was over an order that was issued affecting the mines of British Columbia, but that particular trouble, according to my recollection, did not take place during the critical season. There has been under this system an assurance of a coal supply that was not guaranteed to us in the years before the coal commissioner was appointed. I confidently assert that the mines have operated more regularly during the last four years than they have ever operated before, and there has been less conflict of opinion than previously over the question of wages. What has happened in connection with the question of wages? There was an investigation under this

system, in regard to the cost of living in the communities where the mines operate, and as a result of that inquiry an increase was granted to the employees in nearly every case, and I think I am safe in saying that the miners themselves were satisfied with that increase. The chief difficulty over any orders that have been issued have been in regard to hours and in regard to the recognition of a certain union; but I repeat that that difficulty would have existed even if there had not been a coal commissioner, because the Operators' Association itself was determined that only one main organization would be recognized in those mines, and even in the absence of a coal commissioner they would have demanded that that union should be recognized. I do not think we could have overcome that difficulty by the coal commissioner not issuing any order in that connection. The difficulty in Alberta is peculiar to that province, and is a conflict between two groups of men in the labour world. The operators are strongly in favour of one organization, and there is a group of men who are in favour of another. It is true that the commissioner interfered and issued an order that dealt with that particular situation, but even if he had not done so, even if he had refrained from dealing with the situation, the operators would still have persisted in their demand that that particular union be recognized.

On the whole I am not disputing the points that have been raised, particularly by the leader of the Opposition, in order to give full publicity to these orders. What I am saying is that according to my experience and my knowledge—coming as I do from a coal field that is largely affected by this legislation—there has been more peace and harmony since we have had a coal commissioner than there was prior to the appointment of that official.

Another point I would like to make is this: Usually when there is hostility to legislation that is being introduced into Parliament we hear about it both from the miners and the operators. This Bill has been discussed in the Senate, it is generally known that it is before Parliament, and I have not received one single protest from a miners' union or from an operator in my constituency or in Southern Alberta.

Mr. MICHAEL CLARK: I listened with the very greatest care to the arguments on this clause. With regard to what I would call giving this official reasonable legislative sanctuary from acts taken in the emergencies of war I think the argument of the Government would carry me along with them. I do not think that it would be wise to leave an official, who acted under the pressure of war conditions, liable eighteen months after the Armistice to litigation now that the war has happily ended in our favour.

With regard to the continuance of these powers my mind, I must say, till an advanced period of the debate was in doubt. I think the committee knows what my general attitude is on this question. The sooner we get away from boards, controllers, commissions and other things appointed in war time, as a general principle, the better; but perhaps one needs to add that the sooner people get quite sane again the better. I cannot help thinking and feeling that the continued existence of these abnormal controls is an irritant upon the public mind. In Anglo-Saxon countries we have been used to live in an atmosphere of freedom, and as a general principle I do not recede from that point. However, I have a very large amount of faith in my hon. friend from Lethbridge (Mr. Buchanan), and I must say that I have been tremendously impressed by what has just fallen from him. Here is an hon. gentleman living in the locality where these troubles have existed, and where they might exist again, who tells us that the operations of the commissioner and the state of affairs that existed during the war and up to the present time have led to the greatest harmony in that country that he has ever known. Well, Mr. Chairman, I for one would have very great hesitation at this juncture in voting that we should run any risk in this matter. For some period during seven successive months last winter we had zero temperature in that province. That is the time when coal is needed, and I should hesitate in taking any steps which would, as my hon. friend the Minister of the Interior put it, perhaps throw the whole business into a state of chaos. If this question comes to a vote I shall therefore with a clear conscience be compelled to support the Government.

Mr. BUREAU: My hon. friend from Lethbridge (Mr. Buchanan) argues that the coal controller has become necessary. If so, and he is to become a permanent official, why should not this Parliament pass legislation defining his powers? This is not the proper way to do it. The war time is over. These Orders in Council were passed to meet emergencies arising during the war. If we find that the experimnest we made at

that time to meet emergencies ought to be continued, let us cut out the Orders in Council and bring in an Act of Parliament providing that a fuel controller shall be appointed, and defining his powers.

Mr. LAPOINTE: Let us get back to normal.

Mr. MEIGHEN: If the Government were convinced that this was a permanent situation clearly it would be the act of wisdom to adopt the course my hon. friend suggests; but the Government is not so convinced. We feel that it is essential to hold the situation for the time being and leave Parliament next session either to legislate its permanence or to let it go out of existence. For myself, I hope the latter course will be possible—a hope that I am sure is shared by every hon. member. But surely the right thing to do now is merely to hold on and leave Parliament free.

Mr. BUCHANAN: I made the statement that the operations of the Coal Commissioner applied only to the operators within the Coal Operators' Association. I have heard the statement made that the commissioner had power to rule that the operators of a mine that did not want to be linked up with the Coal Operators' Association, and did not want to comply with his orders, must accept his orders. But my understanding is that his orders apply only to the mines that are within the Association, not to all mines in the province of Alberta.

Mr. CROTHERS: I think my hon. friend is mistaken as to that. By a subsequent Order in Council the jurisdiction of Mr. Armstrong was extended to take in all the mines in province of Alberta and in that portion of British Columbia between the easterly border and the summit of the Rocky Mountains.

Mr. BUCHANAN: I might point out that some operators of mines that have been in the Coal Operators' Association for a number of years broke away from it either last spring or late this winter and were acting independently of the Association. I know of one mine, the Western Canada Coal Company at Tabor, where the men were not expected to fulfil the order as to joining a particular union; it was practically an open shop, and if the men organized another union they were allowed to join it. Seemingly they were not affected by this order. I would make this statement from my knowledge, that the order has not been applied in the way that is mentioned here, that is, to all the mines in the province of Alberta.

Mr. MEIGHEN: To district 18.

Mr. BUCHANAN: Some of the mine operators have been willing to accept this order, among others the operators association. There are other mines in the province that did not come under that order at all.

Mr. MEIGHEN: The order was apparently made to apply on the 20th of February, 1918, to all coal mines and coke producing plants situated in the province of Alberta and also those in the province of British Columbia eastward from the summit of the Rocky Mountains.

Mr. BUCHANAN: My point is that I do not think the Coal Commissioner should be given such drastic powers as to compel a mine operator to do something that he does not want to do in respect to the employment of men. If he can operate his mine successfully with certain men, although they do not belong to a union, he should be allowed to do it. The coal operators belonging to the Association are agreeable to the order that has been issued, and I am speaking of those outside the Association.

Mr. CROTHERS: I think I am speaking within the mark, Mr. Chairman, when I advise my hon. friend that the Director of Coal Operations never interfered where the employer and the employee at any particular mine got on agreeably.

Section agreed to on division: Yeas, 99; nays, 50.

Bill reported.

Mr. SPEAKER: When shall the Bill be read the third time?

Mr. MACKENZIE KING: Next sitting of the House.

Mr. SPEAKER: Mr. Meighen moves that the said Bill be now read the third time. Is it the pleasure of the House to adopt the motion?

Mr. FIELDING: Does the hon. gentleman intend to press that motion?

Mr. MEIGHEN: I did not know that it was objected to. I shall not ask that the Bill be now read the third time, if there is objection.

Motion for third reading stands.

## CANADIAN NATIONAL RAILWAYS.

On motion of Hon. J. D. REID (Minister of Railways) the House went into Committee

on Bill No. 141, respecting Canadian National Railways, Mr. Steele in the Chair.

On section 1—short title:

Mr. McKENZIE: I have not had an opportunity to study this Bill very closely. If we are building and extending lines in the West, what are the chances of their paying? Will they pay any better than the roads that the Government are now running?

Mr. J. D. REID: This is the Bill which was referred to the Railway Committee a few days ago. Charters are being asked for the extension of three lines, one is from Prince Albert north; another from a point near the American border, and the third an extension of what we call the Turtleford Branch. The mileage in each case is about fifty miles. The extensions are to provide newly settled districts with necessary railway facilities. Hon. gentlemen will remember that when the legislation respecting the Canadian National Railways was put through it was understood that no further extension should be carried out or no new lines built in connection with the Canadian National Railways without charters being first granted by Parliament. This is not to provide for the building of some new line that has not been considered before; it is simply to provide for these three small extensions. Probably about half the work will be done on each of the three extensions this year.

Mr. FIELDING: Since my hon. friend is going to provide for the building of extensions amounting to about 150 miles in the West, I want to take advantage of the opportunity to ask him not to forget that very little line of three miles, practically a siding, which is necessary to connect the town of Lockeport, in the county of Shelburne, with the main railway line. I may use the words that my hon. friend has used: this is not something new or unknown; the line which is needed is simply an extension of three miles in order to reach the centre of population at Lockeport. I do not want to say more than to ask the minister to give the matter consideration.

Mr. CALDWELL: While the minister is on the subject of the extension of railways, I wish to direct his atention to a matter which I believe has been already favourably considered,—that of the building of a short line of railway in New Brunswick to connect the Canadian National Railway system in the Maritime Provinces and Eastern Quebec with the Maine Central, which is our natural outlet from the Maritime Provinces. Practically three-quarters of the freight that originates on the Canadian National railway in the Maritime Provinces and Eastern Quebec is destined for the New England States. To-day we have either to pay the Canadian Pacific a large toll,—they have the connecting link between the Canadian National railways and the Maine Central—or ship via the north shore of New Brunswick, which is a very long route indeed. The route to which I refer has been surveyed. The line would be 22 miles long, and I believe that the estimated cost of construction is $1,000,000. But the line would pay for itself in ten years, if not less. Moreover, the St. John and Quebec railway, which the Government took over recently and are operating, is carrying on at quite a heavy loss every year. If this connecting link was built, all the freight originating on the Canadian National railways in the Maritime Provinces would be routed over the St. John and Quebec railway to reach this connecting line, so that the St. John and Quebec railway would be made a paying instead of a losing proposition. The building of this short line would be a good proposition from the point of view of the Government. I know that money is scarce and that we are all talking economy, and, I hope, trying to practice it. At the same time, it is often more economical to spend money that will bring you a return than not to spend it at all. While I do not know the merits of the lines proposed to be extended under this Bill, I do know the merits of this line which I am now advocating, and I think that the minister knows them as well. I hope that while he is on this subject he will give this matter very earnest consideration.

4 p.m.

Mr. J. D. REID: I am familiar with the proposal to which my hon. friend (Mr. Caldwell) refers. About four years ago it was suggested that he Government should build that connecting line; it was shown that its construction would result in a great saving in the matter of traffic originating in the lower province and destined to the Eastern States. On account of the financial situation, action was delayed. There is no doubt that the construction of this line should be carried out. But just at present the people in that district are not suffering actual lack of transportation facilities, though they may have to pay a little more for freight. The Canadian Pacific as well as the Canadian National Railway Company will for some years be compelled to build extensions of lines in the western provinces. People are going into unsettled districts forty or fifty miles

from the railway, on the basis of the promise or the expectation that railways will go into that part of the country. It is a new country; we are trying to get settlers there, and we must provide them with railway facilities at the earliest possible moment. I have no doubt at all that when we get back to normal conditions the Government will take up a scheme such as the one suggested and deal with these matters in the way that it is practically understood by the department and the railway officials that they should be carried out.

Mr. PARENT: I was under the impression that the Canadian Northern had gone out of existence when the Government took over the property, but here we find the name cropping up again. This Bill is to empower the Canadian Northern to build branch lines. Who are the directors of this company that is called the Canadian Northern Railway Company?

Mr. J. D. REID: The incorporation of the Canadian National Railway system does not put out of existence the Canadian Northern Railway. Its stock will be transferred to the Canadian National Railway system when the necessary Order in Council has been passed, but the Canadian Northern will still be kept alive. It will be a subsidiary company of the Canadian National Railway system. The directors of the Canadian Northern are the directors of the Canadian National Railway system. Their names have already been given to the House but I will try and recall them to my hon. friend: D. G. Hanna, President, A. J. Mitchell, Vice-President, Mr. Graham Bell, Sir Hormisdas Laporte, Mr. Riley of Winnipeg, Mr. Hobson of Hamilton, Mr. E. R. Wood of Toronto, Mr. Cantley of Nova Scotia, and Mr. Barnhill of New Brunswick.

Mr. PARENT: Those are the directors of the Canadian National Railways.

Mr. J. D. REID: It is the same thing. They are also the directors of the Canadian Northern. Whoever are the directors of the Canadian National Railway will be the directors of all the subsidiary companies when we bring into force by Order in Council the legislation which has been passed regarding these railways.

Mr. SINCLAIR (Guysborough): Who appoints these directors?

Mr. J. D. REID: They are appointed by the shareholders. The Canadian Government appoints them for the people. Whoever the Government names for the directors of the subsidiary companies are appointed at the annual meeting.

Mr. PARENT: Was there any special reason why we should say in this legislation the Candian Northern Railway Company instead of the Canadian National Railways?

Mr. J. D. REID: These are really extensions to the Canadian Northern Railway, which owns the road running through that particular part of the country. We have in Nova Scotia, for instance, the Halifax and Southwestern Railway, a subsidiary of the Canadian Northern. The stock of that railway is all owned by the Canadian Northern and will be owned by the Canadian National Railway system, but if we wanted to build an extension of fifteen miles to the Halifax and Southwestern railway we would ask for an extension for that particular railway, not for an extension of the Canadian National Railway system.

Mr. ROBB: Inasmuch as on this Bill the minister has widened out the scope of inquiry to include the Canadian National Railways, may I ask that when he brings down his Estimates he be prepared to make a statement to the House of the amounts paid to each transportation company for the carrying of mails from Halifax, St. John, N. B., Quebec, Montreal, Toronto and Winnipeg to points west and in the case of all except Halifax also to points east.

Mr. J. D. REID: If the information can be got out in that form I will give instructions this afternoon to my department and the Post Office Department to have it prepared.

Mr. SINCLAIR (Guysborough): Do I understand that the minister is building new lines of railway in the West ?

Mr. J. D. REID: These are not new railways, but extensions to present lines.

Mr. SINCLAIR (Guysborough): My hon. friend will remember that there is a railway in Eastern Nova Scotia about which representations have been made to him for many years. At the present time twelve miles of that railway have been completed and are in operation, and the whole question now is in regard to the extension of the railway, in which some 40,000 people are interested. Some families have lived in that part of the country since the American revolution and are still without railway accommodation. My hon. friend is anxious and rightly so, to provide railway accommodation for new settlers in Western Canada,

but I would also urge upon him that the old settlers, some of whom and their forefathers have been in this country for 150 years are also entitled to some consideration. Does my hon. friend think it is more important to extend railways in Western Canada to give accommodation to new settlers than to extend railways in the part of Nova Scotia to which I have referred to accommodate the large population who have occupied that country for so many generations?

Mr. J. D. REID: I would not say that it is more necessary to provide railway accommodation for new settlers in Western Canada than for the people the hon. member speaks for. I am not as familiar with the situation in that part of the country as my hon. friend, but if they have been without railway accommodation for so long a time as he says, and it is so urgently required the hon. member should have got it for them during the seventeen years he sat in this House as a supporter of Sir Wilfrid Laurier, and then he would not be appealing to me to-day. I have had no one pressing me for a railway in that particilar locality. As to these extensions in Western Canada, there is no doubt at all that the Canadian Northern, the Canadian Pacific and the Grand Trunk as well, I suppose, promised branch lines to the people who settled in the western provinces. Furthermore, we have encouraged immigration to this country for many years. We have been advertising the fact that in our western provinces there was a great field for immigrants to come and settle. All Governments, not simply the present Government, but the previous government, and the Government before that, have encouraged settlers to come to Canada and have promised them railway accommodation if they will settle there. Having promised these people that we would build railways as fast as settlement justified it, I feel that we should carry out that promise. The Canadian Pacific are certainly carrying out that very policy. I feel that when it is shown to us that settlement has progressed to such an extent that it will pay to build a railway to allow these settlers to get out their wheat and other products, the railway accommodation should be provided.

Mr. SINCLAIR (Guysborough): My hon. friend is right in saying that in Eastern Nova Scotia we should have got this railway built while the late Government was in power, but he has not told the whole story. During those years there was great opposition on the part of both political parties to undertaking the construction of branch lines anywhere on the Intercolonial railway. During the period that the Conservative party were in power prior to 1896, the attitude of the Government was that they could not afford to begin to build these branch lines. I believe the reason generally given was that if they commenced to do so they would be swamped with applications. There was therefore no branch line policy adopted by either party up to the year 1910. In 1910 when a resolution was brought forward by my late hon. friend from the county of Westmorland, Mr. Emerson, the Government of that day accepted it and adopted the policy of building branch lines for the first time. Immediately after that, at the very next session of Parliament, provision was made for those branch lines I refer to. It was acknowledged on all sides that the Guysborough branch should be the first to be built. A million dollars was voted in 1911, immediately after the decision had been arrived at by Parliament to begin the construction of branch lines on the Intercolonial. A contract was then made to build that line. Tenders were called for, surveys were made and two branch lines were projected, one in the county of Halifax and one in the counties of Guysborough and Pictou. Another was projected in the island of Cape Breton, of which my hon. friend who sits near me (Mr. McKenzie) has often spoken. Advertisements were published and tenders were received, and a million dollars was provided by Parliament for the building of each of these branch lines. Then, when the business was at that stage, there was a change of government. The county of Halifax was represented by the Prime Minister and one of his colleagues, not now in this House, and the county of Guysborough by your humble servant. The contracts were exactly similar, a million dollars having been voted for each. They were executed at the same time and everything was done before the change of Government took place. Thereafter, what happened? The Government repudiated the contract for the building of the branch line into the county of Guysborough but continued the contract for the railway into the country represented by the Prime Minister. It is not creditable to the Government that they should have treated one county differently from another simply because the county of Guysborough happened to be represented by a member of the Opposition. That is what happened, however, and I had hoped that my hon. friend would have redeemed the

record and wiped out the reproach of the Government. He has not done so. I have on various occasions obtained hopeful promises from my hon. friend that he would reconsider this matter. I quite understand that it is difficult at the present time to get money to build railways anywhere, but if railways are to be built I submit that there is no part of Canada where the need is so urgent as in that locality. There are great natural resources to be developed there; there are great fishing, lumber and mining industries, and that part of the country has been kept back all these years because this railway has not been built. There is no other way of obtaining railway facilities for this locality except as a branch of the Government railways, because it is not possible as a commercial enterprise to build short branch lines such as this. I submit that my hon. friend should now deal with this question. I would not press it at the present time were it not for the fact that he is building railways in other parts of Canada; and when he undertakes to construct railways in Western Canada for new settlers who have been in the country only a short time, and denies the same right to people who have been here for generations, I think it is eminently unfair and the Government cannot defend such a policy. I contend that they cannot fairly build new railways in Western Canada if they refuse to do the same thing for Eastern Canada.

Mr. COWAN: I agree with the proposal to make these three extensions provided for in this Bill. The hon. member (Mr. Sinclair) speaks about new localities that are now being served by these railways. The locality that is being provided for by No. 3 has been longer settled than the district in Nova Scotia to which my hon. friend referred. Thirty-five years ago Willow Bunch and Wood Mountain districts were among the oldest settlements in the country. The settlers have lived there for years and years and have to cart their produce thirty, forty and fifty miles to the nearest centre. There is another thing that makes the third line necessary. It runs within five or six miles of the international boundary line and the settlers there are largely American in sentiment and during the past number of years have been taking all their produce across to the United States. They have been taking all their wheat and other things and selling it there and doing all their purchasing on the American side. As I said in the Railway Committee the other day, so far as these two tiers of townships along the Montana boundary line are concerned they might as well be in the United States, for they are not a part of Canada as regards their trade. We can only expect that condition to continue so long as they are nearer the American railway than the Canadian, and the only way in which we can make these two townships a real part of Canada is by giving them the railway facilities they so much need. I trust therefore that not only will these railways be built as quickly as possible, but that it will be a settled policy that the line shall be continued further west from year to year until the whole of the townships abutting Montana are served by the Canadian railways and brought into touch with Canadian centres. There is one thing that has puzzled me and I should like the minister to make a statement on the point. Is it his intention, or does he promise, that these three branches will not only be graded but will be steeled this year? I ask this question because last year we provided for a branch line further east running from Peebles to Lampman for a distance of some twenty miles and we were hoping that it would be built this year because it taps a magnificent coal mine which we want to reach. Although the Government has made all provision necessary in the way of charter, money, etc., I find by a letter that I received the other day from the manager of the Canadian National Railways that they will not be able to complete it this year because they cannot get the steel. How can they get steel for these three branches and not for a branch already authorized? I contend that the line already started should be finished and steeled before further extensions are made, because the one already authorized is a very important one to the people of the city of Regina and to thousands of people who want to get this coal. A company with $500,000 capital is now operating and it is completely stuck because it is eight miles away from a railway. This branch has been promised and these people are waiting for it. I would like to know if the steel is going to be provided for this road this year?

Mr. J. D. REID: In reference to the question of doing grading work and providing steel for these three branch lines, and also why we did not put the steel on this Willow Bunch-Wood Mountain, line last year. I may say that in the first of the year the board of directors lay down their construction policy for the year. That was done last year and it was decided that 350 miles was

the outside limit that could be constructed. Parliament voted the money necessary to do the work on 350 miles. But there is no use of saying that we can guarantee to build 350 miles. If we cannot get the rails, ties and labour we cannot do the work. We were not able to do the 350 miles because we could not get the labour or the rails. This year we have laid down a construction policy of about 350 miles. The Canadian Pacific have also laid down a construction policy of 350 miles. Early in the year they believed they could do that amount of work and we believed we could do the same. But there is a shortage of labour and of rails. Every effort is being made by the Government and the Canadian Pacific to get the labour necessary to complete the 350 miles. If we can get the rails we will complete all we decided to do last year. That will have the preference in so far as the rails are concerned. Then we will follow that up with 350 miles that we have decided to go ahead with this year if we can get the rails and labour. Part of this mileage is included in the three lines I am now asking charters for. The charters are for about fifty miles each or 150 miles in all. We do not intend to grade or lay the rails on the 150 miles this year but probably 15 or 20 miles of each of these three lines is all we can expect to do this year. Contracts for grading will be let and tenders are now waiting for these charters to be put through. If we can get the rails and the men, which we are trying to arrange for now, we will have the steel laid and the grading done on 15 or 20 miles of each of these branch lines.

Mr. SINCLAIR (Guysborough): Can the Minister tell us what is the population of the district traversed by these railways?

Mr. J. D. REID: Parties from these localities stated what the population was in the Railway Committee the other day. They said that there were large settlements in each district. In the Prince Albert district there is a population of 40,000. A large population has been settled there for some time and there has been a very largely signed petition from all the people in the locality. We have also had deputations to the Government and the board of management not only this year but last year urging the construction of these roads.

Mr. CAHILL: I was in the Railway Committee the other day and I did not hear any one say what the population was in the territories that these railways will traverse. When the hon. member at the back of the Minister suggests to him that there are 40,000 people, it shows a woeful lack of accurate information because there are not more than 40,000 people in the whole district of Prince Albert which is already served by two large railways. The country is well served to the South and the only question it as to the North. That is an indication of the kind of information we are getting here in regard to the railway situation. I want to bring to the attention of the Government what appears to be the most important matter in connection with the whole question. That is: who recommends the construction of these railways? Is it recommended by the board of directors of the Canadian National Railways? If so, what promises have been made to the Government as to the possibility of earning a revenue on these extensions? What promises have been made to the Government as to their ability to pay the interest on this investment? Before we get too deep into this proposition I would like to remind the Minister of Railways that the Minister of Finance on the 18th day of May informed the House that he had practically written off $140,000,000 of advances to the Canadian Northern Railway Company. What were the advances for? For the construction of railways, for the building of branch lines and such work, I presume, because it is stated that the whole amount is represented by assistance furnished by this Government to the Canadian Northern. Where do we get to by this policy? What is the policy? We are at both ends of this question. We are representing the people who owned the Canadian Northern railway. Our directors on the one hand come to us and say: "We want to build certain branch lines". We, on the other hand, represent the people who must pay and we are entitled to ask the directors, or the Government: "What do you expect to accomplish by building these branch lines?" This is no longer a philanthropic proposition. We are not in a position to continuously hand out money to these people. What is the policy of this railway company? What is the policy of the Government in regard to the railway question? Are we going to build where the greatest pressure is brought to bear? Are we going to build along the boundary line because somebody is selling his wheat and buying his sugar in the United States, or because somebody is trading with the United

States? We are trading with every country in the world. Surely that is no excuse for building a railway. We are not going to build railways to stop people from trading with the United States. We want to know whither we are heading? We cannot go on indefinitely spending money with one hand and having the Minister of Finance coming down and writing off the investment with the other. The people of the whole of Canada are paying for these railways. Each district throughout Canada will want its pro rata share of its construction of railways. It is all very well for the Minister to say that these railways are going to earn interest but the man who is in a position to give us an opinion says that this investment is a bad asset and that these railways are not in a position to earn interest. He writes it off, dismisses it and no longer counts it as an asset. How much longer are we going to continue this policy? Have you determined on what ground you are building these western lines? Is it on the ground that pressure is being brought to bear for their construction. What kind of pressure is it—political or otherwise? Is it on the ground that this section of country will develop traffic that will earn money for the railway company or is the motive purely political? This committee is entitled to know where we are heading for and what we are driving at in regard to this 350 or more miles of railway that the Minister talks so freely about building this year. We should understand where we are heading for. The minister and his colleagues in the Cabinet should sit down and come to some conclusion about this railway policy. They should adopt a railway policy. They should have a real railway policy before they come and ask for charters to build more railways when they have absolutely no idea as to where the money to pay for those railways is coming from other than it is coming out of the pockets of the already heavily burdened taxpayers of Canada. In the absence of exact information this is not a good, sound, proposition. The Government should ask themselves these questions: Is it necessary to build these roads? It may be necessary to open up the territory in question, but would some private railway company build the lines required to serve that territory? Is that territory so valuable that if the Government lines were extended into it the result would be to yield such dividends as would help to reduce the existing deficit? We have not had any information with respect to these lines in the railway committee, that is any dependable figures with respect to the territory proposed to be served and the population which it contains. When these charters came up in the railway committee, for example, no member, not even the hon. member for Prince Albert (Mr. Knox) could give a rough estimate of the number of people that wolld be advantaged by the line running north of the city of that name. Neither did any person attempt to give an estimate of the population in the Willow Buttes district, or in the district being served by the line running northwest from Radisson. It is not only that we are asked to grant these charters. As a matter of fact we have to find the money with which to build the railways in question. Can it be that the Government are so callous, and so used to doing things that no person with a conscience would attempt to do, that they propose to go ahead without furnishing the detailed information that is necessary? I can tell them that the time will come when they will be answerable to the people; their mandate has long since expired. They will soon have to account for their deeds and will have to make fitting explanation to the people. I repeat the Government of this country should have a policy regarding the railway situation. I venture to say that not a man in this committee has asked what the expenditure per mile is going to be in connection with these branch railways. I asked that question in the railway committee, but I only received an evasive reply. I was told the cost might be $30,000, or $35,000, and even $45,000. The Government really have no correct conception of what the construction of these lines is going to cost, or where they are going to get the necessary money to build them—in fact they do not know where they are heading for.

Mr. J. D. REID: The hon. member is afraid there is some political move behind the construction of these railways, but he need not be worried to the extent of one particle in that regard. The Government have a policy, and that policy has been explained not only in this House but in the railway committee as well. The hon. member wants to know whether these lines will pay if they are built. Let me tell him that the Government do not intend to build one mile of railway until it has been shown and demonstrated to them that it will pay. The policy of constructing railways that will parallel other lines, or en-

croach upon the territory which the existing lines already serve while it has been one that has been followed by all Governments ever since Confederation has been discontinued so far as the present Government is concerned. They will only build such lines, or agree to their extension, when it has been shown that they will pay. Now let me demonstrate to the hon. member that so far as the Canadian Northern railway is concerned there would not be any possible chance of its paying in the West unless it were furnished with these branch lines.

Mr. CAHILL: Which branch lines?

Mr. J. D. REID: All the branch lines in connection with the Canadian Northern railway, feeders to the main line. In the case of these particular fifteen miles of line, the products of the territory through which they will pass will be such as to well pay the main line for their carriage. Let me say to the hon. member that in the three western provinces not only the main lines but the branch lines of the Canadian Northern already in existence, have always paid. They paid last year, they will pay this year, and they will continue to pay. The loss on the operation of the Canadian Northern was owing to the several governments concerned allowing them to build a railway westward from Port Arthur where there were no feeders; but the lines to which I have alluded have always paid and will continue to pay. The hon. member was present in the railway committee, and heard the discussion there. He will therefore agree with me that the policy determined upon of building these branch lines is fair, just and right, and that when the lines are constructed they will greatly add to the success and profit of the main systems of which they will be feeders.

Mr. CAHILL: The Minister has stated that the Canadian Northern railways in the West, both main line and branch, have always paid?

Mr. J. D. REID: Yes.

Mr. CAHILL: Then I presume he will be able to substantiate that statement when the railway estimates are up for consideration.

Mr. COWAN: If the hon. member is not willing to accept the statement of the Minister of Railways, perhaps he will accept the statement of the Hon. Charles Dunning, Liberal minister, in the province of Saskatchewan. That province has guaranteed millions of dollars—I do not know how many million—for the construction of branch lines in connection with the different railways of that province, and Mr. Dunning stated, within the last year that he would not be at all sorry if he had to take over all those branch lines that had been so guaranteed because every one was a paying investment. The authority of a Liberal minister in a Liberal Government ought to be sufficient authority for the Liberal member of Pontiac.

Mr. CAHILL. That fact would go a long way to recommend them, but it is not a question of somebody thinking or saying so. The facts should be available, and all I want is that the facts be produced before the committee showing the earnings of the main line throughout the western country and of the extensions that have been built.

Mr. CURRIE: There is one feature in connection with this matter which the minister has brought up, and it is this: Reference has been made to the directorate of the Canadian Northern Railway. Now as far as this railway is concerned we find that every year we are going into the hole about $50,000,000 and that all our other railway securities—

Mr. J. D. REID: The hon. member has just made the statement, if I understood him right, that so far as the Canadian Northern Railway in concerned I stated that we were going into the hole every year $50,000,000.

Mr. CURRIE: No. I am saying that the Government railways are going into the hole about $50,000,000. I want to point out to the minister something very serious that the people of this country have taken into their consideration in connection with this matter. In the United States, in the case of every great railway, the executive officers and directors are composed of railway operators, men who understand their business. The presidents, vice-presidents, and directors are all men who are experts in their line of business. But this Government railway is managed by a lot of men that I consider are nothing but political profiteers. They are merchants and brokers, and men who sell coal to the Government, and I think the time has come when that has got to stop. Further, I have got to say this—and I am speaking, perhaps, on behalf of the East rather than of the West—I think the time has come when this quarrel between the Canadian Pacific Railway and the Government railways should end. Because a

few of the officials of our Government system and the minister have a quarrel with the Canadian Pacific Railway, that is no reason why the people should have to make up a deficit of $50,000,000 a year. The people are demanding that the minister shall put our Government railways on a paying basis within a few months' time. And that is a very easy thing to do. It is only a question of increasing the rates. Why should we have to continue paying annual deficits of $50,000,000 unless the Government want to make public ownership of railways unpopular? I am speaking on behalf of public ownership. I think we cannot avoid it, and the only proper course to pursue is to see that our national railways are made to pay. Any business man inside of twenty-four hours could arrange a tariff by which those railways could be put on a profitable basis, and we would not be confronted every year with these deficits. It is a black mark against the financial reputation of this country that those deficits should occur year after year, and it influences other nations against us in so far as our credit is concerned.

With regard to the building of branch lines in the West, that is a question which the minister has fully considered. He has explained, and it is no doubt true, that the branch lines of our national system in the West are paying. But so far as the East is concerned any further building of branch lines would to a large extent be merely a needless duplication. I am sorry that the hon. gentleman who referred to a certain branch line in Nova Scotia is not in his seat.

An hon. MEMBER: He is.

Mr. CURRIE: Oh, yes, I see him now. I have a distinct recollection of a charter being granted for that railway in 1908, when a carload of wheelbarrows and shovels was taken up there on the eve of the election just so that he and his friends could carry the riding; and the same thing occurred in 1911. He and his colleague were two of the strongest men in this House from Nova Scotia, and if they had had any real intention of building that railway they could have done so between 1908 and 1911. But, Mr. Chairman, that charter was obtained purely for political purposes, and for that reason I think the Minister of Railways before going ahead with any such branch line would be well advised to take into consideration the local conditions. Of course, if he wanted to carry the riding against the hon. gentleman at the next election he might go down there and have a carload of shovels and wheelbarrows dumped on the location on the eve of the election.

Mr. VIEN: That would not be sufficient.

Mr. CURRIE: Then the story might be repeated that he would not come back. But that branch line has been purely a political venture, and I think it is a great waste of time to deal with it here.

This question of seeing that our national railways pay for themselves is a very vital question, and the only way to make them pay is to increase the freight rates. So far as I have heard there is but one argument advanced against such an increase: That the Canadian Pacific railway would benefit. Well, there are methods by which that could be prevented. But even if the Canadian Pacific railway did make some money out of an increase in freight rates, what about it? The Canadian Pacific railway is one of our foremost institutions, its credit and standing are international, and at the present moment its securities are lower than they have ever been for the last fifteen years. That does not speak well for this country in our period of reorganization when we need more population and more capital. But the tide of immigration has entirely stopped, and although the statistics for the last few months are not yet available, I think I am safe in saying that we have been losing rather than gaining population If we are going to make this country attractive to immigrants we must reduce taxation, and we cannot do that if every year the Minister of Railways (Mr. Reid) asks us to make good a $50,000,000 deficit on the operation of our national railways. That condition of affairs prejudices us in the eyes of the world, and naturally it is said: Oh, Canada is a poor country. Look at its Government railways comprising over 20,000 miles, they are in a hole every year to the extent of $40,000,000 or $50,000,000. The people of this country are now demanding that the Minister of Railways of this or any other Government shall see to it that the deficits on the operation of our national railway system are changed into surpluses. I have no quarrel with the minister about building branch lines. No doubt he has figures to show whether or not those branch lines will pay. I am speaking of the whole system. There must be a change in management, new men must be put in charge and held strictly responsible for the profit-

able and efficient operation of the system. Any business man would demand that the system be operated so as to show a surplus rather than a deficit. The Government has it in his own hands to make public ownership of railways a success, for it can control freight rates, and it is absolutely contrary to public policy that we should continue to operate our national railways at rates which entail steady and increasing losses. Those who use our railways for the shipment of thousands of tons of freight should not ask our working men and factory girls to make up that deficit; they should be prepared to meet it by paying freight rates which will not only cover the cost of operation but leave a profit for the benefit of the Treasury.

I think the Minister of Railways should be ready at an early date to assure this Chamber that he is putting his house in order, and that the rates are to be immediately increased to a paying basis. There is no quarrel with the Canadian Pacific railway, there is not quarrel with public ownership, which will justify these continued deficits, and the time has come when the Parliament of Canada, irrespective of political affiliations, should put its foot firmly down and say: We must have an end of these deficits, and there must be a new form of management to bring that about.

Mr. REID (Mackenzie): Mr. Chairman—

The CHAIRMAN: Before the hon. member proceeds, I must remind the committee that the principle of this Bill was adopted on the second reading, yet hon. members have been indulging in a second reading debate. Hon. gentlemen have been going even further and discussing the Estimate of the Department of Railways and Canals. The rule is quite clear: that discussion in committee must be relevant to the clause under consideration; and unless the committee gives its unanimous consent that this discussion may continue, I must ask hon. members to confine themselves to the subject matter of each clause as it is reached. Is it the unanimous consent of the committee that this general discussion be continued?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Yes.

Mr. McKENZIE: I understood that the policy of the Government in regard to building branch lines in other places than the West was open for discussion. I would not like to follow the trend of the argument opened up by the minister himself, and followed by other speakers—

The CHAIRMAN: It is always very regrettable to be obliged to call any one hon. member to order after other hon. members have been allowed to enter upon a general discussion, but I have just given my ruling, and before giving that ruling I asked for the unanimous consent of the committee, which consent was refused. I can do nothing now but hold hon. members strictly to a discussion of the branch lines mentioned in this Bill.

Mr. REID (Mackenzie): Mr. Chairman—

Mr. McKENZIE: I was going to observe—

The CHAIRMAN: Mr. Reid has the floor.

Mr. REID (Mackenzie): Mr. Chairman, I could not quite hear your ruling. Do I understand that I have to confine my remarks to these particular branch lines?

The CHAIRMAN: To the branch lines mentioned in the present Bill.

Mr. REID (Mackenzie): I can speak for the branch lines in the northern part of the three prairie provinces. The hon. member for Simcoe (Mr. Currie) stated that the branch lines of our national system in the West were a paying proposition; in that statement he is absolutely correct. It is a fact that about a month ago the grain crop of last year was not moved out of Northern Saskatchewan on lines tributatry to the Canadian National system, and if our National railways are to be made to pay they must be fed by branch lines in the most productive part of the Dominion, and that is the northern part of the prairie provinces. I do not know about conditions in the East, and therefore I shall confine my remarks to that part of the West with which I am familiar. I have this information from a railway official, that if we have this year a normal grain crop in Western Canada we will have the biggest grain blockage that we have ever experienced in that country.

It is time for the Minister of Railways to get the necessary rolling stock and have the road beds put in first class condition so that when the crop goes on the market our railway system, branch lines as well as main lines, will be able to keep the traffic moving. If this is not done, there is no use in our building branch lines. I am prepared to give the Government and the Minister of Railways my hearty support in the construction of branch lines on the Canadian National Railway system in Western Canada

wherever they are needed. Branch lines must be constructed if we are to reach the outlying settlements and give those who settle in our country a chance to get their produce to the market.

Mr. McKENZIE: Mr. Chairman—

Some hon. MEMBERS: Question.

Mr. McKENZIE: Oh no, we are not ready for the question. Hon. members opposite make their speeches, and when it comes to somebody else's turn they say: "Question". Just as much time will be saved and just as much progress will be made if hon. gentlemen show some degree of fairness and if the minister lets everybody have his say. I do not propose at this time of my life to be turned off as easily as hon. gentlemen may think when I have some remarks to make.

Mr. J. D. REID: I take issue with the hon. member. I have no objection if he takes a week on this Bill. But he knows that the Estimates must come up and that on those Estimates the general railway policy may be discussed. If, however, he wishes to take up the time of the committee in discussing a matter which is really not before us, I am willing that he do so; hon. members may take up as much time as they like in a discussion of the whole railway policy.

Mr. McKENZIE: The minister spoke on this Bill; the member for Antigonish and Guysborough (Mr. J. H. Sinclair) spoke on it, as did the member for Pontiac (Mr. Cahill); the member for Regina (Mr. Cowan); the member for North Simcoe (Mr. Currie). All made long speeches along lines of a general character. Now, when the member for North Cape Breton and Victoria wants to speak, it is alleged that he is improperly taking up the time of the committee. That is the ruling of the minister.

Mr. J. D. REID: No, it is not the ruling of the minister.

The CHAIRMAN: Order. That was not the ruling of the minister; it was the ruling of the Chairman. The hon. member who was called to order was not the member for North Cape Breton and Victoria (Mr. McKenzie), but the member for Mackenzie (M. J. F. Reid), who had the floor when the ruling was given. I am sorry that the hon. member for North Cape Breton and Victoria should be deprived of the opportunity of making his speech, and once more I am willing to ask for the unanimous consent of the committee that he be allowed to make that speech. But if the Chairman remained seated and allowed each member of the committee to make the same kind of speech as that made by each of the hon. members mentioned a moment ago by the member for North Cape Breton and Victoria, the Chairman would certainly not be doing his duty.

Some hon. MEMBERS: Hear, hear.

Mr. McKENZIE: I am not finding fault with the ruling. There was a time in my life when I presided in a court, and if a lawyer tried to give me law that was bad I would tell him so at once; I would not let him waste a whole day in giving bad law. With all due deference, I submit that when we begin to drift from the proper line, the thing to do is to stop it at once, and not give an advantage to half a dozen members to make their speeches before shutting another member off. I stand by the ruling, but I submit that the ruling should be made whenever the digression occurs. I have no desire to depart from the rules, but I think there is necessity for information in connection with this Bill. The minister has said that no action was taken until there was assurance that the building of these extensions would be a business proposition. What assurance has the Government to that effect? What survey has been made? Is the minister in possession of a report from Mr. Hanna? Is there a report from the Chief Engineer giving the assurance that this is a business proposition and that there will be no loss to the people if they put their money into this new venture?

5 p.m.

Mr. J. D. REID: Before the board decided to ask for these charters they had their officials go over the territory with a view to seeing whether these lines should be built. Mr. M. H. MacLeod, assistant to Mr. Hanna,—in fact, the gentleman who laid out the whole of the Canadian Northern lines in Western Canada—is in charge of extensions and the construction of lines in that part of the country. Hon. members who have been in the West will agree that the Canadian National or Canadian Northern lines in the West are well located and are all on a paying basis. Now, Mr. MacLeod, with his staff, examined this territory and recommended, in his report to the management, that these extensions be made. Mr. MacLeod and his engineering staff came to Ottawa and I went over the whole matter with them. Subsequently a

sub-committee of the Cabinet, composed of Sir Henry Drayton, Mr. Calder and myself, went to Toronto and discussed the extensions proposed to be made during the coming year. Only after we spent two days in Toronto with Mr. Hanna, Mr. Mitchell, Mr. MacLeod, Mr. Hungerford and other officials did we come to the conclusion that the extensions now proposed were not only necessary and in the public interest, but should be proceeded with at the earliest possible day. I only mention this to show that we are not going on with this work simply because we have received a letter or something of that kind from the railway officials. Everything that could be done by the Government to ascertain the facts in connection with these extensions was done. It was shown that settlement in these districts was ahead of the railways and that the extensions should be built. As to the roads being profitable, we have the statement of the officials. There is no doubt about their being profitable. They will run into a splendid section of the country, where the settlers will furnish a sufficient quantity of traffic in farm products to make them pay. My candid opinion is that extensions such as this, which produce more traffic for our main lines and promote settlement, will help reduce the deficits on the Canadian National railways. We have been informed by the officials that owing to the high cost of rails and labour the roads will cost from $30,000 to $35,000 a mile. Of course, we shall have more traffic the second year than the first, because settlement will proceed much more rapidly when the railway accommodation is provided.

Mr. McKENZIE: Does the minister mean to say that he has no written report at all from some responsible officer with regard to these extensions?

Mr. J. D. REID: We have a statement from the president, after the discussions we had. There is an official report as to the necessity of the extensions we are asking for and the conditions of the country through which they will run. I do not want the committee to think I am trying to rush this Bill through in an unreasonable manner. There will be another opportunity to discuss these extensions when the Estimates are up, and if the committee want a report on each extension I will have the reports brought down. I am trying to get this legislation through because I think, and the Government thinks, that these extensions are absolutely necessary.

[Mr. J. D. Reid.]

Mr. McKENZIE: This country is divided into two camps as far as public ownership is concerned. On the one side we have the people of this country and the Government, and on the other the Canadian Pacific. Now we, the representatives of the people, sitting here, have the same responsibilities as the directors and managers of the Canadian Pacific would have if they were projecting new lines, and I venture to tell my hon. friend that the president and the executive of the Canadian Pacific would not plunge into the building of a road into practically uninhabited sections of the West without a report from a responsible engineer as to the feasibility of building the road, and a report from the traffic manager as to the prospects of the road paying. All that is done in this case is that the Minister of Railways goes on a little excursion to Toronto and while there he has the pleasure of sitting down and smoking a cigar with Mr. Hanna and Mr. MacLeod—

Mr. J. D. REID: I do not smoke.

Mr. McKENZIE: He takes his whiskey while they smoke.

Mr. J. D. REID: There is prohibition in Ontario.

Mr. McKENZIE: We have no report, no plan, no estimate. We are not told whether bridges will have to be built to cross streams, whether there are any rock cuttings to be made, or anything as to the nature of the road. All we have is this solemn gathering of two or three friends discussing matters generally and reaching the conclusion that it would be a nice thing to extend lines in certain parts of the country. Then the minister comes home and calls this easy bunch of members around him and asks them to give him any quantity of money to build this road. I submit to the minister and to this House that that is not the way to do business. Before one dollar is voted for this proposition and before a charter is granted we should ascertain the facts in a business-like way. I am not talking from an opposition standpoint or with any idea of blocking this project. I am only asking that the proper line of business be followed, as I understand it, and which hon. gentlemen opposite who are business men would follow if they were investing their own money. We are the trustees of the money of the people. The people are losing by the National railways something like $49,000,000 or $50,000,000 a year, and now we are telling the people of

this country that notwithstanding the fact that we, the trustees of their money, lost something like $50,000,000 on the railways last year, we are going to continue to spend money on the railways without consulting them, and with no hope of doing better in the future than in the past. If that is the way we are going to wield our power under the policy of Government ownership, the enemies of public ownership and those who criticise it, of whom I am one, will have a splendid opportunity of finding themselves justified by the facts. Has the minister any working profile of these extensions showing the number of bridges and cuttings and so forth, and also an estimate of the probable expenditure involved? Has an Order in Council been passed approving the location of the different lines? All this information would be given if it was any one but ourselves who was building these roads. We are simply dealing with ourselves under the name of this company. It is somewhat of a fallacious position to be in. We are calling ourselves the Canadian Northern Railway, whereas it is ourselves who are building these roads. We have all the powers under the Railway Act to enable us to build a railway, and in view of that Act on the statute books it is anomalous that we should be here asking power of ourselves to build our own road, and talking of the road as if it was anybody else's but our own. I think I have made myself perfectly clear, and I am sure my argument must appeal to every business man in this House. I think the committee should be given the information I have asked for. I am not a business man myself; I am a mere lawyer, but whatever may be said of lawyers, after they have been a long time in practice they learn something about business. I have learned business ideas. I think it is only plain common sense that we should be given the information I have asked for before we are asked to launch upon this very doubtful enterprise.

Mr. KNOX: I think if my hon. friend took a trip out West and saw conditions for himself he would change his mind as to the necessity of building these roads. I wish to say a word in regard to subclause (a), as the line mentioned therein is in the constituency I represent. The country lying to the north of Prince Albert is thickly settled for the reason that when settlers went in there the odd number homesteads were open for entry the same as the even numbers, which was very different from what it had been in former years. We therefore have more settlers to the square mile there than in the greater part of the West. For some twenty-five or thirty miles this thick settlement continues north of Prince Albert, and the settlers have been in that country for a good many years, some for a very long period. They have been looking forward to railway facilities but up to the present time they have not been able to secure anything. Beyond that, twenty-five or thirty miles, you still find men growing wheat and raising cattle, and their produce has to be transported in many instances thirty and even forty miles. At Prince Albert we have just recently had provincial stock yards opened and they are promising to be very successful, and there is a large abattoir operating at the same point. The hon. member for Mackenzie (Mr. Reid) mentioned the difficulty of getting wheat out of the northern district last year, and I can vouch for what he says in that respect. I would point out that on general principles it is necessary to build these branch lines, because if you want to make the railroad pay it is essential to open up just such a district as this line will go into. I therefore most heartily endorse the principle laid down here.

Mr. ROBB: It might be interesting to the committee to know who owns the land along this particular section. In am not particularly interested in regard to what is owned by settlers who have located, but it would be interesting to know what companies own big tracts of this country in which the railway is to operate, and how much the Crown owns.

Mr. J. D. REID: I will endeavour to have that information when my Estimates are under consideration. I believe that that particular section from Prince Albert north was Government land that has been settled by soldiers. There is a large settlement of returned soldiers in that particular locality. The other districts, I understand, are nearly all settled by private settlers. However, I will get the information which my hon. friend desires. I have not heard of any large company owning any land there. So far as I am aware it is owned by private settlers interested in the locality.

Mr. SINCLAIR (Guysborough): I think the minister will have to revise his figures in regard to the population. I may remind him that the last census taken in Saskatchewan only four years ago showed that there were only 42,000 people in the whole district, and the population of the southern

part of Prince Albert district must be subtracted from that number in order to give the true population of the northern part of the country. I think that the minister must be misinformed in regard to the number of people who will be served by the new branches in that territory, and if he could get the exact information for us it might be useful. I believe he could obtain that information because a census was taken there a few years ago.

Mr. J. D. REID: An hon. member asked me if I knew what the population was and I replied that I could not make any authoritative statement myself, but I thought it had been mentioned in the committee. I think that an hon. member sitting behind me said it was 40,000. If I remember rightly it was the hon. member who lives in Prince Albert that made that statement. This railway, of course, would not serve the whole of that 40,000, but it would serve a large proportion of them. I did not make the statement on my own responsibility.

Mr. KNOX: It was I who said that the population of the constituency was forty thousand. It may be considerably more than that at the present time. As to this particular district, it would be difficult to estimate what the difference is, because the settlers have been going there continuously for some years, and since the establishment of the Soldiers' Settlement Board there has been a large influx into the northern part of this district. The soldiers have settled very extensively there, and it would be difficult to state the exact population.

The CHAIRMAN: Shall the clause carry?

Mr. CAHILL: What clause are we on Mr. Chairman?

The CHAIRMAN: We are discussing section 2.

Mr. CAHILL: I understood we were on clause 1.

The CHAIRMAN: We have passed clause 1. We are now on clause 2.

Mr. CAHILL: Did you read that clause Mr. Chairman?

The CHAIRMAN: Only the marginal note was read.

Mr. CAHILL: I asked the question because an amendment was made in the Committee.

The CHAIRMAN: The clause was amended. Shall clause 2 carry?

[Mr. Sinclair.]

Mr. McKENZIE: There are no distances given here in any one of the sections. Hon. gentlemen who come from the West think, Mr. Chairman, that I am opposed to railways in that part of the country.

Some hon. MEMBERS: Hear, hear.

Mr. McKENZIE: Nothing of the kind; let those hon. gentlemen express themselves as they will. Nevertheless, we must build railways in a business way, and we must not be sensitive, when a proposition comes from the West, if we desire to find out anything about it. If it is necessary, in order, to retain the friendship of hon. gentlemen from the West, that I shall refrain from asking questions about any business proposition that comes before the House from that part of the country, then I am afraid I must forego that friendship. Whether a question appertains to the East or to the West makes not the slightest difference to me; I shall inquire concerning it just the same. Has the minister any idea as to the length of these different lines A, B and C in this Bill? The Bill does not mention anything about it.

Mr. J. D. REID: The Bill does not mention the mileage. It says, in (A):

> A line from a point at or near Prince Albert thence northerly to a point at or near township fifty-seven range twenty-five, west of the second meridian.

It defines the two points between which it is to run. On the profile that we had in the railway committee the distance between these two points was shown to be in the neighbourhood of 50 miles. The next one is shown to be about 40 miles in length. It runs from a point on the main line of the Canadian National railways between the crossing of the North Saskatchewan river and Radisson; thence in a general northerly and northwesterly direction to a point on the company's authorized line at or near Meeting lake. That does not say the exact mileage but it gives the two points between which we are going to construct. It is shown on the plan as being about 40 miles. With regard to the Maryfield branch, 50 miles is shown to be the outside limit. It is possible that the mileage could have been mentioned in the Bill but the draftsman put it in that way.

Mr. ROBB: The hon. member and his supporters voted for the proposition that the coal used for the Canadian railways carrying freight shall be taken out on the basis of nine hours pay for eight hours'

work. Is it the intention to build these railways on the same basis?

Mr. J. D. REID: The railways will be built under contract. Tenders will be called, and the contractor will have to arrange with those whom he may employ to construct the railways. I cannot say whether he will employ them for nine hours or ten hours.

Mr. McKENZIE: We are evidently dealing with Mackenzie and Mann because they are synonymous with the Canadian Northern and being synonymous with the Canadian Northern they are going to build this road. Our experience is that Mackenzie and Mann, as railway operators, always lost money and that to make up the vacum in their purses they used to come to the Government of Canada. While they always lost money as operators they always made money as contractors. Mackenzie and Mann made themselves millionaires by building roads for themselves. That ridiculous anomaly has existed in this country for the last twenty-five or forty years. I would like to ask if Mackenzie and Mann are going to be permitted to make a contract with the Mackenzie and Mann Construction Company for the building of these roads in order that they may make millions for themselves and if when they come to run the roads they will run into the treasury of this country.

Mr. J. D. REID: I can hardly think that my hon. friend is fair in the manner in which he puts the matter. He states that this road is really the property of Mackenzie and Mann. It is now the road of the people of Canada.

Mr. McKENZIE: Why do you use their names?

Mr. REID: I explained a minute ago that any construction that has to be done for subsidiary companies must be done under the name of the parent company. But even if we continue the name the hon. member must admit that this is government property and not the property of Mackenzie and Mann. The management call for tenders for each particular piece of road that is to be built and a number of people tender. The lowest tender is accepted in every case. I do not think that there is any fairer way of doing it or that it could be done in any other way. It is not Mackenzie and Mann at all. The hon. gentleman states that Mackenzie and Mann made millions out of the Canadian Northern. I hardly agree with him. I do not think that Mackenzie and Mann are the millionaires the hon. gentleman states them to be. However that has nothing to do with the matter; the board of management call for tenders, the lowest tenderer will be given the contract and it will be carried out under the supervision of the railway employees who are in no way connected with Mackenzie and Mann.

Mr. McKENZIE: Last year we put through a Bill consolidating all the Government railways to which the Bill was attached a schedule containing the names of twenty or thirty different roads that were to be built afterwards.

An hon. MEMBER: Forty.

Mr. McKENZIE: Some one says forty; it was a large number anyway. Will the minister tell us how many of these different branches have been built since and if any of the branches mentioned in this Bill are identical with any of those mentioned in the schedule to the Bill which was passed a session or two ago.

Mr. J. D. REID: Yes; these charters are parts of the subsidiary companies. In Saskatchewan there was the Canadian Northern Saskatchewan Railway Company and in Alberta the Canadian Northern Alberta, both subsidiary to the Canadian Northern railway. These are extensions of the lines that were built under those charters. They will be a part of the several hundred miles of railway already built. The Canadian Northern Railway system has about 9,000 miles of which there are probably 1,000 miles in Eastern Canada and in British Columbia and about 7,000 in the western provinces. This in each case adds about fifty miles to the lines that were mentioned in the schedule to the Bill which was passed by Parliament.

Mr. FIELDING: Those who are familiar with the geography of the country will have no difficulty in forming an impression of the extent of the obligation we are assuming, but after all there are only a few who are so blessed as to have that knowledge. It would be a convenience to have some indication of the mileage expressed in this Bill. My recollection is that in all our railway Bills the mileage is mentioned. There may be cases in which you cannot be precise. My recollection is that in all our railway appropriations we would indicate the mileage at so many miles, more or less. That is convenient to put in your Bill. Here you do not say whether you are going to build a thousand miles or twenty. I suggest

that until the minister has had a careful calculation made he would be proceeding on a safe basis to indicate the probable mileage of the road in order to help anybody who reads the Bill on a future occasion.

Mr. J. D. REID: It was stated in the committee by me, as well as by the railway officials, in each case, that the distance would not exceed fifty miles. I have no objection, if the committee wishes it, to carrying out the suggestion of the hon. member for Shelburne and Queen's and adding in each clause, "Not exceeding fifty miles".

Mr. FIELDING: I would not put in the words, "not exceeding", because the points are designated, but I would say so many miles more or less. I do not want to restrict my hon. friend at all, but if somebody—who is not familiar with the country—reads the Bill in future he ought to be given some idea as to the mileage in each case.

Mr. McMASTER: Might I point out another emendation to this legislation which would help the ordinary reader in time to come? The Bill is entitled, "An Act respecting the Canadian National Railways", and it is stated that it may be referred to as "The Canadian National Railways Act 1920". Then the Bill proceeds to refer to the Canadian Northern Railway Company. The sooner the minister, who is responsible for the railway administration and policy of this country, will put the different roads which form part of the National Railways system into the possession of the National Railway Company and call them by their proper names, just so soon will he confer a real benefit on any one who wants to study our railway situation now and in the future. It is not really a question of names, it is a question of being able to understand the situation thoroughly; and this habit of calling systems of railway, or branch lines of railway, which properly belong to the National system, by their former names breeds confusion, and makes it less possible to understand the railway situation which exists at the present time.

Mr. J. D. REID: If I understand the hon. member he wishes to eliminate the name, "Canadian Northern Railway" and adopt the title of "Canadian National Railway"?

Mr. McMASTER: I understood from the minister at an earlier part of the discussion that this part of the system now referred to has not yet been vested in the Canadian National system, and that was the reason why the name, "Canadian National Railway", was not employed. If this system itself now falls under our National system I see no reason why the name should not be changed by the committee now.

Mr. J. D. REID: I explained a few minutes ago that in the case of the Canadian Northern or of these extensions of a subsidiary company even when the Canadian Northern stock is transferred to the Canadian National Company those extensions have to be asked for in the name of the Canadian Northern, or the subsidiary company. I have been in the railway committee for a good many years, and during that time—and even as late as the present session—whenever the Canadian Railway Company applied for an extension of its charter they did so in the name of the subsidiary company, although they would do away with that plan if they could. I am informed by the legal authorities of the railway that this is the proper plan to pursue—that the name of the company or the subsidiary must be employed.

Mr. FIELDING: I can understand that as the law now stands the minister's position is right when it is a case of continuing charters possessed by subsidiary companies and operating under them. But that difficulty could be overcome and the point raised by the hon. member for Brome could be met by legislation—passed either at this or another session—transferring all the powers of these various companies to the Canadian National Railway Company. After that there would be no need of continuing the name "Canadian Northern". It would be a proper thing to do and we should not have the confusion which results from using the terms "Canadian National" and "Canadian Northern" which confusion is all the greater because the initials are the same in both cases.

Mr. COPP: Before the clause carries I desire to say that this discussion would not have been so long drawn out had it not been for the unfair action taken by hon. gentlemen opposite in refusing to allow members on this side to discuss this measure, and the matters connected with it, as freely as they have taken the opportunity of doing themselves. The character of this Bill is such as to encourage members in other sections of Canada in need of branch lines, or extensions, to ask why they should not be granted the same privilege. When that line of argument was followed, the Chairman ruled it was out of order, and he asked the House to give unanimous consent in order that the discussion might be

continued. Hon. gentlemen opposite, however refused to give that consent, and thus restricted the scope of the debate as regards members on this side. Hon. gentlemen opposite did that despite the fact that every session the Opposition agree to deviations from the rules—when the session is well advanced—in order to expedite business.

The Minister of Railways is asking permission to build lines of railway along the following routes:

A line from a point at or near Prince Albert thence northerly to a point at or near township fifty-seven, range twenty-five, west of the second meridian, with a branch line commencing at a point on above line at or near township fifty-two, range twenty-five, west of the second meridian, and running in a generally easterly direction to range fifteen west of the second meridian;

The CHAIRMAN: I do not know whether the hon. member was in the House when this matter was brought up before, but I would point out that the clause has been amended and that it is not now exactly in the form in which the hon. member read it.

Mr. COPP: What change has been made?

The CHAIRMAN: All the words after the word "with" in the third line in subsection (a) have been stricken out, so that it now reads:

A line from a point at or near Prince Albert thence northerly to a point at or near township fifty-seven, range twenty-five, west of the second meridian.

The paragraph stops there.

Mr. COPP: I read two or three more lines than I need have read. But in reference to the line of railway my hon. friend (Mr. J. D. Reid) is asking this committee to grant a charter for. I think he said a few moments ago, in answer to an inquiry by my hon. friend from Shelburne and Queen's (Mr. Fieilding), that it would be something like 50 miles in length, and I also understood him to say that the estimated cost of construction would be about $35,000 per mile. It seems to me, Mr. Chairman, that that is not sufficient information. I think the hon. minister, as representing the Canadian Northern railway, which is asking for this charter, should be in a position to give this committee information regarding the territory through which this railway will run, the population in the settlements along the route, and the traffic possibilities, so that hon. members will be able to decide whether or not it be in the interests of the Canadian National system to grant this charter. This line is going to cost a large amount of money to build, and, as has been pointed out, other portions of the Canadian National Railway system have cost this country a great deal of money. The question that naturally arises in the minds of every hon. member is: Whether this construction is going to be in the interests of Canada and of the system as a whole, and of public ownership? Some information, I submit, should be given by the Minister of Railways before he asks this committee to accept his proposition.

I take the next branch line:

From a point on the main line of the Canadian National railways between the crossing of the North Saskatchewan River and Radisson, thence in a generally northerly and northwesterly direction to a point on the Company's authorized line at or near Meeting Lake;

What is required in regard to the railway suggested in section (a) is also required in regard to this railway: we should have accurate information. It is all very well for the Minister of Railways to say: "We have all this information in the vaults of the Canadian National railway in the city of Toronto." But what good is that to hon. members? The information should be brought before this committee. It is of no interest to hon. members to know that Mr. Hanna says that this is going to be a paying proposition, nor is it of any interest to me, Sir, to be told that the Board of Directors of the Canadian National railways believe this will be a paying proposition. If they have that information available, it should be here, not in the city of Toronto.

Mr. LONG: I would like to ask the hon. member if he does not know in regard to that particular section of railway that the information given to the Railway Committee on the points he mentions convinced every member of that committee from his side of the House of the potential value of the road and they wanted to give the route to their particular friends, the Canadian Pacific Railway Company?

Mr. COPP: Loud and prolonged applause! I may tell my hon. friend that I know nothing about what took place in the Railway Committee—and a great many hon. members on this side of the House are in the same position. If that information was brought before the Railway Committee, then, Sir, I say that is all the greater reason why it should be brought before this committee. And if that information was before the Railway Committee it surely would

have been easy enough to bring it down today. I would suggest to my hon. friend that possibly that information has not yet gone back to Toronto, and if so, we ought to have it produced here. I am not arguing against the building of these roads, but against the manner in which this Bill is brought before us and treated by hon. members on the opposite side of this House. I contend that hon. members should have this information, and if my hon. friends opposite had not been so particular about shutting off other hon. members when discussing this Bill, it probably would have resulted in our obtaining more information and this Bill would go out of committee sooner. I accept my hon. friend's assurance that the information he refers to was before the Railway Committee. But that information must have been collected by the officials of the Canadian National Railways, and that being so, I again submit that it should have been placed before hon. members by the Minister of Railways while this Bill is under consideration.

The next branch line is:

From a point on the Maryfield Branch of the Canadian National railways at or near Bengough thence southerly and westerly to a point at or near Fife Lake, in township, three, range twenty-nine, west of the second meridian.

I do not know whether the Minister of Railways has given us the mileage of the last mentioned branch lines, but I understood him to state that only about 15 miles of each line will be built this year. I also understood him when replying to a question put by my hon. friend from Regina (Mr. Cowan), in regard to another branch line on which the steel has not yet been laid, that it had been impossible to get the steel there, but that that steel would be laid first, and then if they could get more steel they would continue this construction. Now, I understand my hon. friend to say that tenders have already been called for the building of these branch line? Am I right as to that?

Mr. J. D. REID: Tenders have been called for, but no action will be taken until this Bill is passed and the money voted by Parliament. Even if we put this Bill through, there is another opportunity of not allowing the work to be proceeded with and of requiring full explanations,—that is, when I bring down the estimates for construction. So if we do pass this Bill it does not follow that these branch lines will be built.



Mr. COPP: It is going a long way to advertise for tenders even before the Bill is brought down to this House by the Minister of Railways. I would ask my hon. friend, between what points on the different branch lines suggested here has he called for tenders?

Mr. J. D. REID: The points where the roads start.

Mr. COPP: How far?

Mr. J. D. REID: I cannot give that information now; I do not happen to have it before me. Of course, the hon. member is entitled to all information in connection with the matter, and I will not ask that the Bill go through if hon. members do not want it to go through without this information being furnished. But these Railway Bills are sent to the Railway Committee so that all this detailed information may be submitted to and considered by that committee. That procedure was followed in this case; the railway officials appeared before the committee; the information was obtained, and the committee unanimously passed the Bill. If the hon. member wants all these files and details I have no objection to getting the information for him; no hon. member will be able to say that I withheld information. If it is his intention to hold up the Bill in the absence of this information, of course, I must submit. But the fact that the money must subsequently be voted for this purpose would seem to justify the passing of the Bill, particularly in view of the fact that all the details were considered by the Railway Committee.

Mr. COPP: My hon. friend should not suggest that it is my purpose to hold up the Bill. I have only occupied about ten or fifteen minutes of the time of the committee; the minister has taken an hour or two in discussing his side of it. It is not my intention unnecessarily to delay the Bill, but I do think we should have more direct and accurate information in regard to it. If the information was before the Railway Committee, surely it would not take long to place it before this committee.

Section agreed to.

On the title:

The CHAIRMAN: Shall the title carry?

Mr. McKENZIE: I do not see the force—

At Six o'clock the committee took recess.

## After Recess.

The Committee resumed at Eight o'clock.

Mr. McKENZIE: Before six o'clock I asked the minister for certain information. I presume that in the meantime he has had an opportunity of consulting his officials and is now prepared to tell the House something more about these railways. He told us that he did not wish to withhold any information he possessed, but the trouble is that he does not possess any. Otherwise, I am sure he would be willing to part with it. Will these roads when built be Government-owned?

Mr. J. D. REID: Government-owned, entirely, because the total cost will have to be voted by Parliament.

Mr. McKENZIE: Being entirely Government owned, will they be subject to municipal taxation in the province or provinces in which they are built?

Mr. J. D. REID: Yes, because the property will be in the name of the Canadian Northern railway. These extensions will be Government-owned entirely also because there are no bonds against these extensions. The outstanding bonds, of course, are only on the roads so far completed. The Canadian Northern system in Ontario and other provinces is subject to taxation by the municipalities, and the only parts of the Government system that will not pay taxes, until further legislation on this subject is brought down, will be the Intercolonial and the Transcontinental, or any other road purchased outright in the name of the Crown.

Mr. McKENZIE: The minister will remember that we had this subject up last year. In the provinces of Prince Edward Island, Nova Scotia, New Brunswick, and Quebec we have a large mileage of Government owned railways, and these roads pay no taxes at all. While we derive no advantage, from a municipal standpoint, from the existence of these railways we of course, have to pay our taxes just as much as the people who live in Ontario and the West. Now the amount of municipal taxation that might be paid on the Grand Trunk and other roads is enormous. Does the Government think it is fair that some provinces should be allowed to tax for municipal purposes the Government roads, while other provinces cannot? Does not the minister think that there should be a uniform system throughout all the provinces, and that if a Government road in Ontario pays municipal taxes, Government roads in Prince Edward Island, Nova Scotia and New Brunswick should be in exactly the same position.

Mr. J. D. REID: That is a very important question, and it has been brought to my attention forcibly by the small towns along the Transcontinental, some of which are practically railway towns and need assistance in building their schools and churches and municipal institutions, but to which the railway pays no taxes. I cannot see why there should not be some arrangement whereby the railway should pay taxes to the municipalities. But it is a pretty big question and would take a whole day to discuss. My own opinion—I am not expressing the Government's opinion at all—is that these railways which run through the towns and villages and municipalities should pay taxes. I do not see any reason why they should be exempt. But they have been exempt since Confederation. It is a matter that must be taken up and decided by the Government one way or the other in the near future, but it would be impossible for me to bring this matter up and have it decided during the present session. Of course, an Act of Parliament would be required for the reason that all Government property in the name of the Crown at the present time is exempt.

Mr. McKENZIE: The minister says it has been so since Confederation. Quite so. Until the Canadian Northern was taken over by the Government, none of the Government roads in Canada paid any taxes, and they were not assessed. The Intercolonial never paid a cent of taxation in our province; nobody ever thought of it. We in Nova Scotia have no objection to conditions continuing as they are, provided that the same system is in vogue everywhere else. But when Government roads are paying taxes in other provinces we do not want the roads that run through our provinces in the East to be exempt from taxation, because the people of these provinces, of course, are obliged to pay their share of taxation.

Mr. J. D. REID: I do not think it would be fair to exempt from taxation a private road that is taken over by the Government. These roads, such as the Canadian Northern, for instance, are taxable because they are not directly in the name of the Crown, but were acquired by virtue of the country holding the stock. In other cases, the deed is directly in the name of the Crown. In order to make the Intercolonial, the Transcontinental, and the Hudson Bay railways

pay taxes a special Act would have to be passed declaring that all Government roads should pay taxes. The question is a large one and I could not bring it up this session, but it is such a live issue, especially along the Transcontinental, that something will have to be done to give assistance to the municipalities, and I think the law will have to be changed to bring all of the Government roads on the same footing. In the Lower Provinces the Canadian Pacific pays taxes all the way down to St. John, and I suppose on the Dominion Atlantic Railway also, while the Intercolonial does not. It is not fair that one road should pay taxes and the other roads should be exempt.

Mr. McKENZIE: The whole Intercolonial was not always a Government-owned road. The Eastern Extension was owned by the Eastern Extension Railway Company and paid taxes until it was taken over by the Government, when no more taxes were paid, because the identity of the property as the Eastern Extension Railway disappeared. That, of course is what we expected. That is the theory. There is considerable Government property also in the city of Halifax on which there is no municipal taxation. I think that all Government-owned property throughout the country should be treated alike. If a Government-owned railway pays taxes in the West or in Ontario let Government-owned railways in the East pay taxes, and vice versa. The railways should be all on the same basis so far as taxation is concerned, and I would urge that principle on the minister.

Mr. J. D. REID: The hon. member is absolutely right in his view, but in acquiring the roads in New Brunswick which we took over last year a deed was given to the Crown directly so that the company disappeared. In this case we merely took over the stock. I agree with the hon. member that all railways entirely owned by the Government should be treated in the same way so far as taxation is concerned.

Mr. SINCLAIR (Guysborough): The minister should consider the view of the hon. member for Cape Breton (Mr. McKenzie). He is an able lawyer and he has stated it as a principle of law that property of the Crown is not liable to municipal taxation. If these railways are the property of the Crown will the minister explain why they are to be subject to taxation? I presume he must have looked into the law appertaining to the question.

[Mr. J. D. Reid.]

If the title of the Government to these various roads is good, then they are the property of the Crown and should be exactly on the same basis as the Intercolonial railway and the Transcontinental.

Mr. J. D. REID: I have consulted the legal authorities of my department. If any one had a claim against the particula road which my hon. friend has mentioned, or one of the roads we took over last year in New Brunswick, the road having been deeded to the Minister of Railways representing the Crown, the suit would have to be brought against the Crown. In this particular case of the Canadian Northern, we took over the stock. We did not take a deed in fee simple of the whole railway, and if any one were bringing a suit against that railway to-day he would have to enter it against the Canadian Northern railway and not against the Crown. I have taken legal advice in the matter, and am informed that the taxes must be paid. But apart from that, as it is a line running in opposition to the Canadian Pacific railway, my opinion is that they should both be placed on the same basis, and if one is not subject to taxation the other should also be exempt. I think they should all pay taxes in the future.

Mr. McMASTER: What the minister has said is no doubt correct, but his remarks after all bear upon legal technicalities. As a matter of fact, whether we own these railways in company form or directly as Crown property, they are the property of the Canadian people, and the Government should make up their mind whether the railways should all be free from municipal taxation or should all pay taxes. Although you can draw a legal distinction between the Canadian Northern railway running through Manitoba, say, and the Intercolonial railway running through New Brunswick, they are both the property of the Canadian people, and it would be fairer, more equitable and more businesslike if the Government decided that all the railways should be free from municipal taxation rather than leave some free while others are subject to taxation. But I am inclined to believe that it would be fairer if all Crown property, the property of the people of Canada, bore its fair share of municipal taxation. It is largely a matter of bookkeeping, and in the long run it will be found that the Canadian people pay. Where you have a railway running through a town and that railway pays no taxes, the inhabitants of that town have to pay what the railway should pay, and the pres-

ent system does not equalize the burden as I think a system of taxing all railways would equalize it. I call this matter to the minister's attention. I think he largely partakes of my view, and it would be well to come to a decision on one ground or the other.

Bill reported, and read the third time and passed.

## COMMERCIAL FEEDING STUFFS.

### REGULATIONS CONCERNING SALE AND INSPECTION.

Hon. S. F. Tolmie (Minister of Agriculture) moved the second reading of Bill No. 165 to regulate the sale and inspection of Commercial Feeding Stuffs, Bran, Shorts, Middlings and Chop Feeds.

Mr. DONALD SUTHERLAND (South Oxford): Before this motion is carried, Mr. Speaker, this being the only opportunity we shall have of discussing the merits of the Bill, I should like to make a few remarks with reference to matters dealt with in it. The minister gave us an outline of what he deemed to be the scope of the Bill in introducing the resolution, which really embodied the Bill; and so far as I could gather from his remarks, he was very anxious to take care of the accumulation of screenings at the various elevators and mills throughout the country, which, he stated, amounted to something in the neighbourhood of 150,000 tons per annum. He went on to refer to the great value of these screenings as feeding stuff and pointed ont the advantage it would be to those engaged in agriculture in Canada to have this stuff placed at their disposal, adding that it was the intention of the department to see that proper safeguards were enacted to remove the most objectionable qualities of this stuff:

This question is not a new one by any means. The average citizen has but a very faint idea of the extent of the great wealth that some people are accumulating as a result of their operations in what was at one time considered refuse, or something that the average farmer in the past, when he cleaned his grain on his own farm, took good care to absolutely destroy. Some members of the House may recall that a good many years ago I took this matter up with the Government on a number of occasions particularly in reference to the Grain Board. When the regulations providing for the control of grain by the Dominion Grain Board were before the House, I considered that it was advisable that some provision should be made in the Grain Act to take care of this stuff and guard against the danger of having it scattered broadcast throughout this country. I would like to quote a statement that was made by the right hon. Minister of Trade and Commerce (Sir George Foster) as far back as 1914 when the matter was before the House. I will quote a few words which he uttered in answer to the argument I advanced on that occasion. They are as follows:

> Whatever can be done by the Grain Board, and—after they have mapped out their work in this matter, whatever can be done by Dominion legislation to diminish this pest will de done. And I hope to be able at the next session of Parliament, to give a fairly clear idea as to what we think can be done by the Grain Board and through Parliament in this direction.

That was a fairly encouraging promise to receive six years ago but from that day to the present time instead of making progress we have been taking retrograde steps and conditions to-day are worse than they were at any time in the past. Notwithstanding that this Bill has some good features, on the whole I believe that it is a further retrograde step and that it does not attempt to deal with the great difficulties that we have to contend with and which ought to be taken care of by legislation. The minister made some reference to the remark which I made when the resolution was before the House in regard to the Bill that was passed by Parliament at the last session. I claimed that the Bill had disappeared in some mysterious manner and that it was inoperative and absolutely destroyed. The minister, in replying, said, for my information, that the Bill was still on the statute book, and in effect and that consequently I was mistaken. I want to repeat what I said on that occasion. In moving the second reading of the Bill, I made this statement in reference to the various departments which have had control of this question in the past:

> We find that the Department of Inland Revenue was annexed to the Department of Customs and that the branch having to do with the work of the Dominion analyst was turned over to the Department of Trade and Commerce.
>
> Now we have it turned over to the new Department of Public Health. Notwithstanding all the information that is available, I do not believe that in the Department of Public Health you will find any one particularly interested, or who has a direct interest through his association with the agricultural interests of the country.
>
> I believe that the seed branch, the veterinary director general and the livestock branch through the Department of Agriculture should have control over the matter.

And so on.

If, as is pointed out by the Dominion analyst, shorts are simply ground up bran and are not shorts at all and if it is only, as the manager of one of the milling companies pointed out, by the addition of screenings that it is brought up to the required standard, I hope that a stop will be put to this at an early date.

These were my views on that occasion, and for that reason I was very much pleased to see that this matter was taken over by the Minister of Agriculture to be administered by his department. You may recall that early in the session there were a number of Bills introduced by the hon. Minister of Public Health (Mr. Rowell). Among them was one dealing with commercial feeding stuffs and another known as the Food and Drugs Act. Bill No. 32 was the one which had reference to feeding stuff and it was introduced on March 23. Bill No. 27 was introduced on March 22. Bill No. 27 has already passed both Houses of Parliament and it removes from the statute the Adulteration Act, Revised Statutes of Canada 1906, chapter 133, chapter 4 of the statutes of 1907 and chapter 4 of the statutes of 1913. These latter were amendments to the original Act of 1906. It also removes from the statute books chapter 19 of the statutes of 1914 and chapter 9 of the statutes of 1915. These were all cancelled when this Bill was passed by Parliament. I would like to call your attention to the original Act which was known as the Adulteration Act. The interpretation clause reads:

In this Act, unless the context otherwise requires: (a) "minister" means the Minister of Inland Revenue; (b) "food" includes every article used for food or drink by man or cattle, and every ingredient intended for mixing with the food or drink of man or cattle for any purpose whatsoever.

It goes on to mention different things and proceeds as follows in section 3:

Food shall be deemed to be adulterated within the meaning of this Act,—

(a) If any substance has been mixed with it so as to reduce or lower or injuriously affect its quality or strength;

(b) If any inferior or cheaper substance has been substituted wholly or in part for the article;

(c) If any valuable constituent of the article has been wholly or in part abstracted;

(d) If it is an imitation of or is sold under the name of another article;

(e) If it consists wholly or in part of a diseased or decomposed or putrid or rotten animal or vegetable substance, whether manufactured or not;

(f) If it contains any added poisonous ingredient or any ingredient which may render such an article injurious to the health of persons or cattle consuming it;



(g) if its strength or purity falls below the standard, or its constituents are present in quantity not within the limits of variability fixed by the Governor in Council as hereinafter provided;

(h) if it is so coloured or coated or polished or powdered that damage is concealed, or if it is made to appear better or of greater value than it really is;

(i) in the case of milk or butter, if it is the produce of a diseased animal or of an animal fed upon unwholesome food.

The Act of last session was simply an addition and came under paragraph (j). Now you will observe that all these different sections— (a), (b), (c), down to (i)—have been cancelled by the Act that was put through this session. There are several pages in the statute from which I have quoted dealing with matters connected with the operation of the Act. I may say, penalties were provided; the penalties have also been cancelled. While, in a sense, the Act of last session may remain on the statute book it is only a fragment containing four lines which have absolutely no meaning and will undoubtedly be removed. Leaving it there must have been an oversight on the part of some one, bearing in mind that the whole Adulteration Act has been absorbed in other Acts and the clauses which I have referred to have been cancelled. Consequently it is not correct to state that the Act of last session is still in force and effect, because there is no machinery for putting it into force, nor are any penalties provided. Therefore, there is virtually no statute at all in existence except a fragment, and if that should remain in force it will be devoid of meaning.

Furthermore, Mr. Speaker, I would like to point out that in the Bill which was introduced on the 23rd March, the day before the Pure Foods Bill was brought in, there was embodied in the Pure Foods Bill a section which contained the Bill of last session, viz., section 12. That section read as follows:

In the case of bran or shorts or middlings, it shall be considered to be adulterated if it contains anything that is not a product of wheat, or, in the case of corn bran, if it contains anything that is not a product of maize or Indian corn.

This was identically the same as the provision of last session which was embodied in the Bill referred to and remained in it for several weeks. It was, however, withdrawn when the measure came up for second reading, and the new Bill that is before the House to-night was substituted for it. You can see therefore that instead of making an advance along the line which we have been endeavouring to follow—to promote which, in accordance with the de-

sire of the committee on agriculture, and of the House the legislation of last session was enacted—the attempt is made by the present Bill to cancel all that we had accomplished under the Bill of last session and to revert to a condition of affairs that will be much worse than the state which existed previous to that time.

Let me point out that in 1917 something happened with regard to the adulteration of mill feeds that has absolutely destroyed the feeding qualities of those feeds,—when I say "mill feeds" I am referring to the products of wheat in the milling of flour. You may think, Mr. Speaker, that I am taking this matter too seriously. I want to point out—notwithstanding the statements that were made in the House the other night by the minister when he said that he had been President of the Western Livestock Union for two years prior to 1917 and that the farmers were clamouring for this feed from one end of Canada to the other—that the farmers in the county from which I come are using mill feeds possibly to a greater extent than they do in any county in Canada. The average farmer, instead of selling the produce of the farm in a raw state, is really, in a sense, a manufacturer because he not only feeds what he raises himself but buys immense quantities of this stuff and uses it for feeding purposes. I want to remind the minister that the factory output of dairy products of the small constituency which I represent—although that constituency is nearly one-half urban —has been for the past few years equal to that of the whole province of British Columbia from which he comes, notwithstanding that within that province there are about two hundred and sixty million acres. The factory output of the county of Oxford, on the whole, has nearly doubled that of the province of British Columbia; and I may therefore be a little more in touch with the effect of these mill feeds than those other hon. members who come from constituencies where they do not specialize in the feeding of livestock to the extent that we do in Oxford. I have pointed out and called the attention of Parliament on a number of occasions—not only last session but this session as well—to the state which we are getting into by neglecting to enact proper safeguards with reference to the development of agriculture in Canada, and the importance under present conditions of increasing the output to the greatest possible degree. I have pointed out that to increase the prosperity of this country and to overcome the difficulties which are facing us at the present time, which difficulties have been, and are, receiving the attention of Parliament at the present session, we must depend more upon the agricultural output than upon anything else. To confirm what I say all you have to do is to look at the weekly reports of the Department of Agriculture. The statistics given in those reports, show an almost appalling decrease in the output of dairy produce, and of many other things on the farm; and you are going to find before the present year closes that, instead of increasing our output as we should, there is a marked decrease in those products. Furthermore, the livestock industry of this country is receiving a setback to-day that demands the attention of Parliament. Everything that possibly can be done should be done to encourage rather than to retard the development of agriculture. I know that if I make any reference to conditions in Western Canada somebody will get up and say that the people in the East are very much interested in what is taking place in the West. Now I have seen demands for legislation made to Parliament, —not only during the present but during previous sessions—by representatives from Western Canada and other parts of the country, and I will venture to state that rarely, if ever, has any objection been raised by the members from Ontario with respect to doing anything to develop the industries or the natural resources of any of the other provinces.

I was somewhat amused this afternoon and this evening while listening to some of the arguments advanced against the Bill that has just been disposed of with regard to branch line railways. Ontario had to undertake work of that kind, and year after year there has been a deficit in the operation of their colonization railway, but there is no clamour from the province that the Dominion Government should come to their assistance. All we asked was the usual subsidy which was denied for many years. We are glad to see railways built into the newer districts in order to develop the resources of the Dominion. But at the same time I want to remind hon. members that the fertility of our rich farm lands in Western Canada cannot be maintained under the present methods of farming, and that the present unsatisfactory condition will certainly become worse unless methods are adopted to arrest the depletion of the natural fertility of the soil. To-day the progressive farmer in Ontario realizes that in order to maintain soil fertility it is abso-

lutely necessary and essential that he should feed to his stock not only all he grows on his farm but a great deal more besides. I know some hon. gentlemen will say: But how can you farm those large areas in the West under such conditions? I admit that there is a great temptation to bring under cultivation those large areas and to "mine" them, but it will be conceded by those who are more familiar with conditions in the West than I am that already the result of the policy that has been pursued for some years past is deplorably evident in the luxuriant crops of weeds that always follow such farming methods. I remember that when I was a young lad our Ontario farmers considered the Canada thistle one of the greatest pests we had. But I believe that weed has rendered a greater service to the province in an agricultural sense than anything else I know of, for it has been in no small degree the means of forcing the farmers to adopt better methods. There is absolutely no trouble with the Canada thistle to-day because under a proper system of farming it has no chance to overrun the land.

But the successful feeding of livestock requires certain satisfactory conditions. I may say to some of my friends from the West that it has been a common thing for farmers in my constituency to buy store hogs in the West, particularly in the vicinity of Calgary, to prepare them for the market on mill feed brought from the West, and to dispose of those animals at a profit in connection with their dairy operations I pointed out during the present session that I did not believe there was to-day a cheese factory in my constituency manufacturing cheese, nor a creamery where a pound of butter is being manufactured. Some hon. members may say that this has no relation to the Bill before the House. It has a very direct relation to it. If the farmers of the county of Oxford and other constituencies can purchase pure mill feed at a reasonable price they can prepare their hogs for the market at a fair profit even under present conditions. But after paying a very high price for this feed, if they have to frequently throw out of the pen pigs that have died as a result of the poisonous weed seeds contained in the feed, is it any wonder that these farmers have become discouraged and now ask Parliament to take steps to protect them? Is it any wonder that they are discouraged when they find the best animals in their dairy herds take sick and die after being fed large quantities of bran, which under ordinary conditions is the best feed for cows when they are freshening? For a long time our farmers were puzzled to account for their losses, but are now satisfied that the trouble is due to the poison contained in these mill feeds, and in consequence they refuse to feed their stock any quantity of mill feed at that particular time. Abundant evidence of the adulteration of these mill feeds is in the possession of the Department of Agriculture, and why such a Bill as this should be introduced under present conditions is something that I am unable to understand.



If you read the definitions contained in the context of the Bill you will find there is a distinction made between commercial feeding stuffs and feeding stuffs. The Bill provides:

> (1) "commercial feeding stuffs" means any article offered for sale for the feeding of livestock and poultry, including feeds stated to possess medicinal as well as nutritive properties, but not including,—
> (a) hay and straw;
> (b) whole grains of wheat, rye, barley, oats, corn, buckwheat or flax seed;
> (c) chop feeds;
> (d) bran, shorts or middlings when unmixed with other materials;

"When unmixed with other materials." But if it is mixed with other materials, it comes under the class of commercial feeding stuffs. Then clause 3 provides:

> (3) "feeding stuff" means any commercial feeding stuff, bran, shorts or middlings and chop feed.

It is quite evident that section (d) of clause 2 contemplates the mixing of bran and shorts with other stuff to make a commercial feed. Section 6 of the Bill provides:

> 6. All bran, shorts or middlings sold or offered, exposed or held for sale must meet the requirements as to quality and chemical contents established for them respectively by regulations under this Act, or be registered and sold as comercial feeding stuffs as required by sections three and four of this Act.

Now, I do not wish to refer to this Bill clause by clause; the committee stage will be the proper time to do that; but I do want to point out the clause which provides that the minister may by regulation do certain things. On several occasions during this session and other sessions I have pointed out that there is no necessity to have so many of these regulations, but that wherever possible they should be embodied in the Bill. Provision is also made for the appointment of an advisory board under clause (a).

(a) to appoint an advisory board which may at his request prepare and recommend to him such regulations as it is of opinion should be established under this Act;

The minister may appoint a board to furnish him with information as to what regulations should be framed. Well, we have been discussing this matter for a good many years, and I fail to understand why hon. members should not be consulted and have their views embodied in this Bill rather than that some board should be appointed and consulted by the minister for that purpose. I believe there are enough members in this House with such broad experience in this matter as to warrant their views being placed on record here rather than that we should empower the minister to go outside and select a board whom he may desire to consult with regarding these regulations.

Mr. CLARK (Red Deer): That is the way they do with the Budget.

Mr. SUTHERLAND: And it is the way they do with some other things. I could remind my hon. friend (Mr. M. Clark) that we put a similar clause in a Bill about three years ago. When the Military Service Act was being put into force we empowered the Minister of Agriculture of that day to appoint a representative of the Department of Agriculture on the exemption tribunals in every military district. Well, what was the result? We very honestly and innocently thought that the men selected for that purpose would be in sympathy with the enforcement of the Military Service Act and with the Government which had just been elected. But we found that in every military district in Ontario men had been selected by the then Minister of Agriculture (Mr. Crerar) for this post who were not only opposed to compulsory service but also to Union Government and had stumped against them in the election. These were the kind of men appointed in the London, Toronto and Kingston military districts. This was under a provision similar to the provisions of this Bill. Yet we are again asked in this Bill blindly to place a power in the hands of the minister to make a selection regardless of what the opinion of members of this House may be. I will read to you one of the objects of having a board of this kind:

The minister shall have power,—

(a) to appoint an advisory board which may at his request, prepare and recommend to him such regulations as it is of opinion should be established under this Act; . . .

(e) to make regulations prescribing the size, colour and character of the tags or labels to be used for the purposes of this Act, and the size and kind of printing to be used for any particulars required to be printed on such tags or labels;

When the resolutions were under consideration I referred to a report of the Department of Agriculture tabled during the last session. I will read from this report, made by H. B. Sifton, analyst in the Seed Branch, who furnished me with this memorandum. Referring to weed seed contents of bran and shorts, he says:

Two hundred and thirteen samples have been analysed in connection with the investigation of Canadian feeding stuffs. Of these one hundred and three have been found to contain weed seeds authoritatively stated to be poisonous. Eighteen more have seeds suspected of having poisonous properties but not yet fully investigated. Of thirty-two samples of shorts the records show twenty-seven containing poisonous weed seeds, and five with unground seeds of noxious weeds. In the case of bran, nineteen out of twenty-eight samples show poison seeds, and eight have noxious weeds.

Complaints have been received of many lots, especially of shorts which produce harmful effects when fed to pigs, and of others which the animals refuse to eat. The loss of faith in screenings as feed, reflected in the Farmer's Advocate editorial of last week, is becoming widespread. This is doubtless due to two causes —the sale of uncleaned screenings for feed, and imperfect work in recleaning. In nineteen samples of "recleaned" screenings received at the laboratory since July 1, the average number of mustards per ounce is two hundred and one. The cleanest sample contains seventy-nine per ounce, and the dirtiest has two hundred and seventy-nine.

It seems urgent that prompt action should be taken for the protection of farmers from harmful and unpalatable feeding stuffs. It is also necessary to improve the purity of recleaned screenings if faith in them is not to be entirely lost by the public.

The minister stated the other night that 201 mustard seeds in an ounce of feed is less than one per cent, the maximum amount of impurities which he proposes to allow in these mill feeds under the regulations he intimated will be enacted. Which means that he proposes to permit the presence of 3,216 mustard seeds in a pound of mill feed. It is perfectly clear to every one who understands anything about this matter that there is no justification for having any of this deleterious matter in mill feed, such as bran and shorts. It is perfectly clean and pure when it is milled. The millers admit that they pipe the screenings back into it after the milling process is completed. Under the regulations now in effect it is permissible for them to put as much of that stuff in the feed as they see fit, because of the fact that the amendment to the Adulteration

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Act of last session was dismembered and made of no force or effect. In December 1917 it was provided by Order in Council that while heretofore bran and shorts should be clean and free from impurities, it was provided that they would be considered pure if there were not more than 25 vital noxious seeds in a pound of it. That would imply—and the millers admit it—that the millers could put as many non-noxious weed seeds in as they saw fit. One of the most poisonous weed seeds found in mill feeds is what is known as worm seed mustard, a small yellow seed the vitality of which it is practically impossible to destroy by grinding. It is not considered as a noxious weed, though more pigs have died as a result of feeding them this stuff than from the feeding of the other noxious weeds. It is quite permissible for the millers, under the legislation which is at present on the statute book, to run this stuff into their bran and shorts. Last session, when this matter was before the Committee on Agriculture, notwithstanding the fact that the millers had an opportunity of appearing there and that there was considerable opposition by certain persons in the committee to doing anything in the matter, the following resolution was moved in that committee and carried, but for some unexplained reason was not submitted to the House:

> That in view of the serious results from the adulteration of bran and shorts by adding thereto great quantities of weed seeds, both ground and unground, annually resulting in the death of many animals and serious injury to the health of others besides distributing harmful weed seeds throughout the country to the detriment of those who engage in agriculture, this committee would respectfully recommend that immediate action should be taken to deal with this question by passing and putting into effect at the earliest opportunity Bill No. 7, an Act to amend the Adulteration Act.

The minister told us in introducing these resolutions that the Committee on Agriculture had looked over the proposed Bill and that they were favourable to it. I was not present when the matter was before the committee and I do not know what consideration was given to it. But I have read the resolution which was adopted last year by the Committee on Agriculture with regard to the Bill which was then before it, embodying a provision which was made law at the last session of Parliament but has since been removed from the statute book and has not been incorporated in the Bill now before us.

[Mr. Sutherland.]

Mr. CRERAR: Has the legislation passed last session to which my hon. friend refers been repealed?

Mr. SUTHERLAND: As the hon. gentleman was not in the House when I referred to it, perhaps I may be pardoned for referring to this matter again. The Act of last session has most undoubtedly been repealed. Bill No. 27, which was known as the Act respecting Food and Drugs, was passed and a good many sections of the Adulteration Act embodied in this Bill. The Act says: "The acts mentioned in the schedule hereto are repealed." That included the Adulteration Act of 1906 and the amendments of 1907, 1913, 1914 and 1915. For some reason or other the amendment of last session has been left on the statutes, and the Act which it amended has been repealed. There is no sense or meaning to it as it is. There is no Act to amend, the penalties also are repealed. Bill No. 32, introduced by the Minister of Health, entitled "An Act respecting Commercial Feeding Stuffs" had embodied in it a section containing the Act of 1919 with regard to the adulteration of bran and shorts reading as follows:

> In the case of bran or shorts or middlings, it shall be considered to be adulterated if it contains anything that is not a product of wheat, or, in the case of corn bran, it contains anything which is not a product of maize or Indian corn.

This Bill which I referred to was withdrawn by the minister, and the Bill which is now before the House has been introduced with a view to taking its place.

The minister referred to the fact that there are about 150,000 tons of screenings that must be taken care of. I could not help thinking that he was much more concerned about taking care of the screenings at the elevators than about the livestock interests of the country and agriculture generally. I do not like to say that, but I can come to no other conclusion in view of the fact that in referring to the screenings the minister stated:

> No. 3 Northern wheat very often contains 2½ per cent, so right here by the proposed regulations we intend to make we shall have a most decided improvement in the quality of our bran.

The millers contend, and it was actually stated, I believe, by Mr. Black, of the Ogilvie Milling Company, that in some sections of the West where the grain does not pass through terminal elevators as much as 10 per cent of wheat they purchase are screenings and dirt, and that they were justified in disposing of it in the way they

do. The millers made no bones about it. They even said: "If it is as bad as represented to be, why does not Parliament act in the matter"? Well, Parliament did act last session, and we thought we were taking steps to provide against what has been going on, but you see the conditions with which we are confronted to-day.

With reference to the board with which the minister is going to consult I made the statement after looking over the resolutions that I thought the millers had been consulted with reference to the matter, and not the farmers of this country. The minister rather resented a statement of that kind, but I venture to state that there was some substance for such a suspicion from the fact that he stated that when the board was appointed the millers would have representation on it and their interests would be looked after. Now there is absolutely no justification at all for having the millers consulted as far as bran and shorts are concerned; it might be advisable with respect to other commercial feeding stuffs. I believe that there are provisions in this Bill which will enable the department to provide safeguards against what has been going on with regard to other commercial feeding stuffs. I am not objecting to those provisions of the Bill. I think they are very desirable, but I do want to impress on the House and on the minister that if this Bill goes through in its present form, it will do more than possibly anything else could to discourage farmers in the live-stock and dairy business. We have been appropriating money for scientific research and other purposes of that kind, and it is well to do so. I want to say, however, that I do not believe we are getting satisfactory results from the money that has been and is being provided by Parliament for our experimental farm system in Canada. I believe the system has failed to produce the results it should, and failed utterly to lead in regard to the question dealt with in this Bill. Is it any wonder that many of the provinces have had to step in and take over this work themselves, and that they do not rely upon the experiments conducted by the federal experimental farm system? Yet we expend over $1,200,000 annually on experimental farms. We have in the vicinity of Ottawa, in connection with the Central Experimental Farm, a park where the citizens can enjoy themselves. It is one of the features of Ottawa. During the war there was more money expended for labour on that farm than there was any justification for, in order to provide a park for the entertainment of visitors to the city and the citizens of Ottawa. As far as the province from which I come is concerned, and we are credited with the benefit of its expenditure at the farm at Ottawa, we depend almost entirely upon what is being done by the provincial government along experimental lines. As far as experimental work is concerned the province of Ontario has been forced by necessity to do this work itself, and establish her own farms, notwithstanding the fact that the people of the province contribute about 50 per cent of the expense of all the experimental work that is being done in the other provinces. In view of that fact, and that we are producing about 52 per cent of the total dairy products of Canada I think we are entitled to some little consideration under this Bill. We have endeavoured in the past, to carry on in a way that would be profitable. I know what is taking place; I come in contact with evidences of it every day in the week when I am at home. I find many farmers disposing of their dairy herds and going out of the business. You often hear people referring to the farmers as profiteers and of the enormous prices the farmers are getting for dairy products—milk, butter, cheese, and so forth; and it has been thought necessary for this Government to appoint a Board of Commerce and turn it loose on the farmers. One of the first things the Board did was to attack the farmers of Ontario along these very lines, and you can already see the effect of it. There will be millions of dollars lost to the people of this province and the Dominion as a result of what we did at the last session of Parliament. Yet to-day there is not on that Board, nor has there been, a man who had any interest in or any sympathy with those engaged in agriculture.

Mr. DEPUTY SPEAKER: I must draw the hon. gentleman's attention to the fact that we are not now discussing the appointment of the Board of Commerce. I fear he is wandering far from the subject matter of the Bill.

Mr. SUTHERLAND: I do not wish to transgress the rules of the House, but I have been endeavouring to show the connection between mill feeds and dairy products, and I have just incidentally referred to some of the other handicaps under which the dairymen of the province of Ontario are labouring.

There is something rather significant in connection with the accumulation of screen-

ings at the elevators. We have in this country what is known as the Board of Grain Commissioners, and I have here a return which was brought down to tthe House with reference to its operations. There are five terminal elevators under the control of the Board of Grain Commissioners. The quantities of screenings that are shipped out of these elevators are really enormous. At Port Arthur, for the crop year 1914-15, the screenings taken in at that elevator amounted to 357,780 pounds, and there was shipped out 6,193,560 pounds. For the next year 445,740 pounds was taken in and 12,697,400 pounds was shipped out; for the year 1916-17, 68,800 pounds was taken in and 5,603,940 pounds was shipped out; and for the year 1917-18, which is the last year for which I was able to get information at the time, the amount taken in was 923,000 pounds and the amount shipped out 8,260,895 pounds. There is a similar condition of affairs at Moosejaw, Saskatoon and Vancouver, though the quantities are not so large in these places as in Port Arthur. Now, the Government, through the Grain Commissioners, have been operating these elevators and it is a rather remarkable fact that enormous profits have been made by these elevators which have been worked by the Government. Outside of the salaries of the Board of Grain Commissioners, the profits for these five years at the Port Arthur elevator alone amounted to $1,177,940.05, and at the other elevators the amount was also very large. I am satisfied that it would be greatly to the advantage of the farmer of Western Canada if these screenings were taken from the grain before it ever reached the elevators. He is paying freight on them both ways very often, and the material is being disposed of by the Government Grain Commissioners with the result that large profits are going somewhere. I do not know where they have been going, are the Government partners in it, but I do know the farmer who furnishes the material has not received the profits. I want to repeat that it is not a matter of so great concern that the last available cent may be received for these screenings, as it is to see that their impurities are not placed in the mill feeds that are sold at high prices to the farmers of the country to say nothing of polluting the farms with weeds. I would judge that the purpose of the present Bill is to permit the manufacturers of commercial feeding stuffs to mix feeding stuffs rather than to provide, as we endeavoured to do last session, means to ensure the purity of the bran and shorts that are being disposed of. It is well known not only to dairymen but to the men who raise pure-bred stock for commercial purposes, that bran is one of the most valuable feedstuffs, an essential for young and growing stock. Yet, to-day it is harly safe for him to feed it at all. He cannot afford to pay the high prices and also take the risk of the effect it will have on his stock. We have a Wheat Board who have been handling wheat, and one of the results of their operations has been that they have not encouraged the milling of wheat in Canada but rather the opposite or the exportation of whole wheat, which has been shipped out to such an extent that very little mill feed has been available in the country of late. Mr. Speaker, it may seem an imposition on the good nature of hon. members for me to take so much time, and were it not for the fact that it is many years since I first endeavoured to have Parliament deal effectively with this question which is getting more unsatisfactory from year to year, I would not presume to encroach on the patience of the House. But I am satisfied that if this Bill goes through in its present form it will spell blue ruin to the agricultural interests of the country. The livestock industry will receive a further setback, and the plea that we have been making for a general practice of economy and efficiency throughout the country, and our advocacy of everything that will encourage thrift and promote industry, would appear empty and meaningless. It is somewhat significant that Bill No. 32, which received its first reading and remained on the Order Paper week after week until all the provisions of the Adulteration Act were disposed of, should quietly disappear, this Bill taking its place. The Bill which was withdrawn was a hundred per cent better than the present Bill inasmuch as it provided for the things which the Bill of last session sought to remedy but which are absolutely ignored in the present Bill. But clause 17 of the grain regulations still remains, enabling the miller to sell bran as "pure bran," though it has in it all the devitalized weed seeds he sees fit, provided there is no more than twenty-five vital noxious weed seeds in a pound. I should think, in view of the reports from the offices of the various branches of the Government, that something would have been done to improve this condition. It is only a short time ago that I received an answer to some questions I placed on the Order Paper with regard to standard stock feed. This is the re-cleaned screening of

which we have heard so much and which the minister claims, by experiments conducted at the experimental farm, proved to be more valuable than bran for feeding stuff. In answer to a question I asked on March 31 in regard to the analyses of stock foods there appears the following result of the examination:

| | | | |
|---|---|---|---|
| (b) | Hulls and dirt | 40 | per cent. |
| | Mustards | 15 | " " |
| | Pennycress | 15 | " " |
| | Lambs quarters | 18 | " " |
| | Foxtail | 9 | " " |
| | Others | 3 | " " |
| | | 100 | |

Your have heard the report of the analyst of the seed branch, Mr. Sifton, who has since, by reason of his ability, been induced to leave the Department of Agriculture and to become associated with Toronto University. I know the officers of the department were very much discouraged, that their hands were practically tied, and for that reason I was anxious to see this Bill come under the control of the Department of Agriculture in order that proper safeguards might be provided, because I expected there would be sympathy on the part of officers of the department in regard to the matter.

I feel, however, Mr. Speaker, that the attention of the Minister of Agriculture (Mr. Tolmie) has not been directed to this matter to the degree it should have been. I am satisfied that he must have been so busied with various other matters in connection with his department and with the business of the session that he has not had sufficient time to carefully examine the Bill, otherwise it would not have been lacking in the provisions to which I have referred.

I do not wish to take up any further time of the House in connection with the matter more than to again point out how seriously it affects the old provinces of Ontario and Quebec where the dairying and livestock industry and winter feeding are developed to a greater extent than they are at the present time in Western Canada or its other provinces. But I am satisfied that, notwithstanding all these things, if there is proper provision in the Bill you will find that the farmers in the West will see that the threshers put screens in their separators that will take all these small seeds out of the grain at the threshing and in this way remove the great temptation which now exists to put these seeds back into the mill feeds and dispose of them at a high price to the farmers.

Mr. E. W. NESBITT (North Oxford): Mr. Speaker, there is a great deal in what my hon. friend from South Oxford (Mr. Sutherland) has been telling us both as regards the danger of feeding stock with these poisonous seeds and, what is the worst feature, the distribution that takes place by the seed passing through the stock, getting on the land and therefore covering our farms with weeds that it is almost impossible for us to keep down. One of the difficulties in buying feed for your stock is that you never know what you are buying, except you buy pure grain and have it thoroughly cleaned and ground up. That is the only way you can avoid getting these poisonous and other weed seeds on your land. Everything my hon. friend from South Oxford has said in reference to feeding this stuff is no doubt correct. I was going to make a suggestion to the minister. Section 7 reads as follows:

> No grain, screenings or other ingredient which contains in excess of the quantity allowed by regulation, any seeds, damaged grain or other material designated by regulation of the minister as injurious to the health of livestock or poultry, shall be used as a constituent of any feedings stuffs.

Why not prohibit that class of feed altogether in place of allowing a certain amount of these seeds to be used by regulation? If it is injurious to livestock I suggest to my hon. friend the Minister of Agriculture that he prohibit it altogether and not allow it to be sold under regulation. That is all I have to say in reference to this matter, because my hon. friend from South Oxford has covered it very capably.

Mr. DEPUTY SPEAKER: Before the Minister of Agriculture exercises his right to reply, it is my duty to inform hon. gentlemen that in doing so he will close the debate. If any other hon. gentleman desires to speak he may do so now.

Mr. TOLMIE: Mr. Speaker, I have listened with a great deal of interest to what the hon. member for South Oxford (Mr. Sutherland) had to say in regard to the proposed Bill. This Bill is the product of the very best experts of the department of Agriculture who have carefully consulted the stock men, mill men and every one else whom we knew of as taking an interest in the feed business. There are about 150,000 tons of screenings at the head of the Lakes each year as a result of the cleaning process carried on in the elevators at that point. For several years feeds for livestock have been extremely scarce. Our American friends, being keenly alive to the value of these feeding stuffs, have been

very glad to import them into the United States. But on account of the scarcity of feed on this side, we deemed it advisable to utilize every possible pound of feed for caring for our stock. In actual experiments, as was mentioned by the hon. member for South Oxford, it has been proven that screenings are often better than bran in nutritive quality. I consider that we would not be doing our duty in sending these screenings out of the country or destroying them.

The objects of this particular Bill are to so guard against noxious weeds and to place these feeds before the public in such a condition that the farmer may know exactly what he is getting and so may be able to buy something that he knows all about. Heretofore these feeds have been adulterated to a very great extent, they have been sold and advertised very freely, and in many cases the farmer did not obtain what he thought he was getting. He paid a high price for feed which was in many cases very poor in quality, consisting of a mixture of oat hulls, ground straw, etc. By this Bill we propose to guard against that as far as possible.

My hon. friend from North Oxford (Mr. Nesbitt) wanted to know why we do not keep out these seeds altogether. I may say that it is impossible, with the machinery which we have at our disposal at the present time, to entirely remove all seeds. In the case of bran, if the bran is turned out pure, consisting of the product of the wheat grain, with the small amount of seed that it is impossible to remove, it may be sold for bran, but the moment weed seeds are added to the bran it comes under the heading of commercial feeding stuffs and under the control of our inspectors.

In regard to black seed occurring in these screenings, I may say that our experiments have shown that as feeding stuffs it has almost no value at all, in addition to which it has been proven poisonous to small pigs. Under the regulations which it is proposed to make in connection with this Bill, we will control the actual amount of these black seeds, so that when the farmer buys a bag of commercial feeding stuffs he will have clearly stated on a tag the percentage of different grains contained therein and also the percentage of weed seeds. He will therefore buy it with his eyes entirely open and be able to judge for himself. It it very wide of the mark to say that the sale of screenings in this country has had any effect whatever on the reduction of our dairy products. We all know that owing to high wages and also to the high cost of feed, the man who keeps an inferior cow on his place finds it utterly impossible to pay these prices and carry on dairying at a profit.

However, there are other men who maintain herds of higher quality who are making dairying pay well under present conditions. As far as prices are concerned I cannot clearly understand how the hon. member for South Oxford can possibly expect to buy cheap bran and cheap shorts produced from wheat that is ranging in price around $3 a bushel.

Mr. SUTHERLAND: I am sure the minister would not misquote what I stated. I do not think I made any reference to the price. It was pure bran, not cheap bran, that I was advocating. I realize that the price of the commodity must be regulated by the price of the grain, and by supply and demand.

Mr. TOLMIE: I may have been mistaken but I thought what the hon. member stated was that it was owing to the quality of this feed that dairy men were almost afraid to feed it to their cows—

Mr. SUTHERLAND: Certainly.

Mr. TOLMIE: —and that therefore our dairy production was much less than it should be.

Mr. SUTHERLAND: Exactly.

Mr. TOLMIE: I think the hon. member will find that the falling off in dairy produce has been due rather to the lack of feed than to the quality of it.

With regard to this board which the minister is empowered to call under the proposed Act, I may say that it will probably be composed of one milling man, two of three livestock men probably, two or three men from the Department of Agriculture, and perhaps one dealer in feed, so that each section of the business will be fully represented. We are calling in their assistance so that we will arrive at a proper set of regulations that will be practicable and will work out well in all directions.

While the hon. member for South Oxford takes a rather pessimistic view of the present livestock conditions in this country, his brother farmers in Ontario apparently do not feel that way. It was only yesterday that I, along with the Minister of Militia (Mr. Guthrie), had the pleasure of speaking at a picnic at Guelph where we celebrated the purchase in the Old Country of a bull for which $34,000 was paid,

the highest price ever paid in the British Empire for a bull. Then, last week, two more Holstein breeders of Ontario went down to Minneapolis and purchased a two months' old calf for $50,000. Apparently, therefore, all the farmers in Ontario do not feel pessimistic regarding the future of the livestock business. Now, Mr. Speaker, as I have already said, this Bill has been carefully prepared. No doubt it is not perfect, it is quite likely that some improvements can be made in it, but it has been given very careful consideration by a set of experts in the Department of Agriculture who have carefully consulted many of the livestock men, and they think it is just about as perfect as it can be made under present conditions. Certainly it is an improvement on any of the legislation which has been enacted in the past. It will insure purer feed and will enable the farmer to know exactly what he is getting when he buys feed for his stock.

Mr. BOYCE: I would like to know what provision has been made in the present Bill with regard to the use of bran and shorts for feed.

Mr. TOLMIE: Under this Bill as long as a man sells bran and shorts in a pure state, or as nearly pure as is possible, he is permitted to do so, but the moment he adds any weeds not in compliance with the regulations it becomes "commercial feeding stuff" instead of bran, and he can be prosecuted.

I should add, in addition to what I have already stated, that this Bill was given very careful consideration by the Committee of Agriculture of the House, and was adopted by it unanimously.

Motion for the second reading of the Bill agreed to, and the House went into committee, Mr. Boivin in the Chair.

On section 2—definition:

Mr. ROBB: I suppose the minister understands that the term, "entire clean grain" would mean grain as delivered by the farmer to the mill. But supposing there was some pigeon grass in it?

Mr. TOLMIE: If it did not contain too large a proportion of poisonous weed seeds it would then be suitable for chop feed; but if it contained a large quantity of those it would come under the head of "commercial feeding stuff."

Mr. SUTHERLAND: I see that under paragraph 1 of this section commercial feeding stuffs is defined as meaning "any article offered for sale for the feeding of livestock and poultry." Under paragraph (d) it is held not to include bran, shorts or middlings when unmixed with other materials. Then subclause 3 contains this definition:

> "feeding stuff" means any commercial feeding stuff, bran, shorts or middlings and chop feed.

Then I notice that in the balance of the Bill "feeding stuff" is referred to instead of "commercial feeding stuff" when one would almost infer that commercial feeding stuff was intended, and that bran and shorts would be referred to as feeding stuff. What is the object of these variations? What is the meaning of having bran and shorts when unmixed with other materials defined as commercial feeding stuffs? Is it contemplated that bran and shorts are to be mixed by the mixers of feed, and that only whenever they see fit bran and shorts are to be sold as bran and shorts? I am satisfied that is about the effect of it, because if people cannot buy the bran and shorts they will certainly have to do the next best thing, and buy a mixture containing, maybe, a very large proportion of bran and shorts, and some other materials that have been added. It is absolutely impossible to carry on without having mill feeds of this kind. What is the effect of the two terms used?

Mr. TOLMIE: Just as long as bran and shorts are named bran and shorts they are sold as such. If they are mixed with any of these seeds or other feeds, then they are classified under "commercial feeding stuffs." The term "feeding stuffs" in this Bill applies to all of those feeds.

Mr. SUTHERLAND: Even to "commercial feeding stuffs"?

Mr. TOLMIE: Yes.

Mr. SUTHERLAND: Consequently there is in the following section no distinction between mixtures of this kind and pure bran and shorts, because you say the term "feeding stuff" covers both.

Mr. TOLMIE: Pure bran and shorts under section 6 will be sold as bran and shorts; but immediately they are mixed, as I have already pointed out, they are considered to be "commercial feeding stuffs."

Mr. SUTHERLAND: The effect of this clause will be that mill feeds of this kind will be mixed, and you will get but a very small proportion of pure bran and shorts. This clause is a departure from the old

Act, and instead of being an advance along the lines which we desire it is going in the opposite direction. It is making provision for the mixing of all these feeding stuffs and having the mixture disposed of to suit the convenience of the mill feed men.

Mr. TOLMIE: On the contrary, Mr. Chairman, there are no restrictions at all on pure bran and shorts, so there is every encouragement for a man to sell them as bran and shorts; but the moment he mixes them with other grains the mixture is classed as a commercial feeding stuff and has to be so described on the label.

Mr. SUTHERLAND: I do not notice any strong desire on the part of the millers or anybody to-day to sell pure bran and shorts; it is absolutely impossible to find them offered for sale. Safeguards to insure their purity should be provided. That is why I take objection to this Bill, in that it does not provide the safeguards which are necessary.

Mr. TOLMIE: Those who sell bran and shorts nowadays are certainly encouraged to mix other ingredients, because there is no such legislation as this in force. That is why they mix cheaper feed with bran and shorts. The aim of this Bill is to insure that the farmer shall know what he is buying and shall get what he pays for.

Mr. KENNEDY (Glengarry and Stormont): In this clause the minister does not define what is meant by "bran, shorts and middlings." We who are feeding these feeds to our stocks every day have good reason to suspect that what we buy as bran, shorts and middlings are not of the quality they used to be. Would it not be possible to define bran, shorts and middlings in such a way as to prohibit the mixing of weed seeds or anything of that kind with them? Perhaps I am reading the Bill wrongly, but I fail to see anything in it that covers this point. I quite understand that immediately weed seeds or similar ingredients are mixed with bran and shorts the mixture becomes a "feeding stuff," and of course comes under the jurisdiction of the inspectors of the department. But even that might not attain the end sought. I think it would be better to prohibit the mixing of anything at all with bran and shorts, because we look upon these articles as being standard and something we can rely on.

Mr. ROBB: I was going to suggest that the hon. member for North Oxford (Mr. Sutherland) is absolutely right in his view of how the legislation may work out, providing conditions are continued as they have existed in this country since 1917. If the hon. gentleman will a little later on in the session support the continuation of the Wheat Board, giving it power to fix the price of bran and shorts away down below the market price of the world, he will have the same experience again as he had in the past; there will be a scarcity of bran and shorts. No legislation will make bran and shorts more plentiful in this country; that is the whole secret—and I am speaking from experience as a man in the milling business. The only way to get a plentiful supply of pure bran and shorts is to leave the trade to regulate itself and sell these articles at the prevailing market price of the world. Under such conditions we in Canada would not have to pay more than bran and shorts are worth anywhere else. But if we attempt by legislation to fix the price at $10 or $15 a ton below what pure bran and shorts are really worth, and, on the other hand, enable the same board to place a tax of $1.50 to $2 a barrel on flour to distribute among the men who have grown the wheat from which that flour was produced, we are going to have in this country a continuation of the same experience that my hon. friend has been complaining of for the last hour and a half—a scarcity of mill feed.

Mr. SUTHERLAND: I do not know that the matter referred to by the hon. member for Huntingdon (Mr. Robb) has much to do with the subject matter of this clause. As far as I am personally concerned I am not in favour of fixing the prices of anything; I believe the law of supply and demand should govern, and if mill feeds are worth a certain price, that price should be paid rather than an arbitrary price fixed by the Government. But I want to refer again to the phrase "commercial feeding stuffs" which is defined in this clause. The clause continues:

> "commercial feeding stuffs" does not include bran, shorts or middlings, when unmixed with other materials.

Then subsection 3 says:

> "feeding stuff" means any commercial feeding stuff, bran, shorts or middlings and chop feed.

To my mind those two provisions are absolutely contradictory, I fail to understand what object is desired to be attained by these contradictory provisions. I think that the suggestion of the hon. member for Glengarry (Mr. Kennedy) is a very good one, and that we should define what constitutes bran and shorts. We are em-

powering the minister by regulation to do a whole lot of things, and we are somewhat mystified by the definitions contained in this Bill, which, as I have pointed out, are apparently absolutely contradictory.

Mr. TOLMIE: I think the Bill is quite clear, Mr. Chairman. "Feeding stuffs" in the working out of this Bill is a general term applied to all feeding stuffs dealt with herein. In regard to the definition covering bran and shorts, I may say that it will be necessary in the regulations to distinguish several feeds, not only bran and shorts, but also cotton seed cake, oil meal, fish meal, oat hulls, and many of those other ingredients that are used in the manufacture of feeding stuffs It is better to have that matter controlled by regulation, for the reason that from time to time a certain amount of elasticity may be necessary to meet prevailing conditions. For instance, during the war flour extraction from wheat was increased 5 or 6 per cent, and this was done at the expense of bran, so that bran before the war was quite a different article from that which was produced under the new wheat regulations.

Section agreed to.

On section 3—labels on commercial feeding stuffs:

Mr. KENNEDY (Glengarry and Stormont): Subsection (2) provides:

> In the case of car lots in bulk, the provisions of this section shall be held to be complied with if the statement required by this section is attached to the invoice or bill of lading delivered to the purchaser.

The feeder who goes to buy from the dealer at the car may not have access to that statement, which is in the possession of the dealer. Will the minister insert a provision there to the effect that the statement required by this section must be made available to the purchaser in such a case?

Mr. TOLMIE: A dealer who buys such material in bulk and who retails it in sacks must attach to each sack a tag upon which is clearly shown what the contents of the bag are.

Mr. KENNEDY (Glengarry and Stormont): When the dealer gets a carload of material in bulk the farmer usually goes to the car with his own sacks, and the material is bagged and sold directly out of the car. I doubt whether the dealer would be willing to attach a tag to every sack put up in that way.

Mr. TOLMIE: He violates the provisions of the Act if he does not. If the purchaser is not certain as to the actual content he may secure a pound of the material and send it to our analyst at Ottawa. A careful analysis of the feed will be made and if it is not in accordance with what it is represented to be, prosecution will follow.

Section agreed to.

On section 4—registration:

Mr. ROBB: Why is not the registration period made to run concurrently with the fiscal year?

Mr. TOLMIE: It was considered that the arrangement as set forth in the section would be most convenient to the trade.

Section agreed to.

On section 7—use of injurious ingredients prohibited:

Mr. SUTHERLAND: In this clause we should be a little more definite; there should be some statement as to what the regulations are to be. The committee are surely entitled to know what the views of the minister are in respect to the quantity of weed seeds, damaged grain, and so on, which may be used as a constituent of any feeding stuffs.

Mr. TOLMIE: In the merchandising of re-cleaned screenings, the standard sample which formed the basis for contract delivery contained less than one per cent by weight of "black seeds" that are capable of passing through a screen with perforations one-fourteenth inch in diameter. These "black seeds" are not all harmful, but contain practically all of the weed seeds that are injurious to the health of stock. It is better to handle this matter by regulation, owing to the changed conditions which prevail from time to time. In some years more of these screenings are contained in the grain than in others. Certain varieties of seeds are not as large in some dry seasons as they are in ordinary seasons. In the making of these regulations, producers, millers, consumers and experts of the department will be consulted, so that information will be secured from every possible angle. It is not the aim of the department to make regulations that we shall not be able to carry out or which will not be beneficial. By consultation with these different interests it is contemplated that the regulations made will be applicable to the conditions and will render good service.

10 p.m.

Mr. SUTHERLAND: I appreciate the fact that a sieve with a certain kind of mesh

will take out the most objectionable seeds, but I can hardly appreciate the force of the argument that the variability of the seasons would affect the size of the seeds. I think that the size of the seeds varies very little indeed. I am still of the opinion that we should incorporate in the Bill such provisions as the minister intends to embody in these regulations.

Mr. TOLMIE: I do not think that nearly as good service could be rendered in that way. It is better to enable the making of regulations to fit the situation from one year to another.

Section agreed to.

On section 8—to be free from weed seeds:

Mr. SUTHERLAND: Here again this matter is to be dealt with by regulations that we know nothing about. We must take it for granted that some experts somewhere who know all about this are going to embody in the regulations legislation for the people of Canada. As far as I am concerned, I do not consider that that is why I have been sent here. If there is such wisdom in the minds of these people, I think the minister ought to submit it to the House in concrete form, rather than to ask us to empower him to deal with this matter by regulations that we are not acquainted with to-day. It is proposed to let the clause pass without any explanation. In view of the fact that so many clauses of this Bill empower the minister to deal with these matters by regulation, in view also of the fact that the minister has entirely ignored the statement I made on the second reading of the Bill, and that he stated that ample provision would be made for safeguarding the purity of these mill feeds and that the Act of last session was still on the statute book, which Act I have shown clearly and conclusively was repealed by the Bill introduced by the Minister of Health, and further, as there is no provision in this Bill to ensure the purity of bran and shorts, I think it would be advisable to strike out this clause entirely which permits the minister to deal with the matter by regulation after consulting with very wise people in the East and in the West it may be. In view of these considerations and the fact that no explanation has been made by the minister I beg to move, seconded by the hon. member for Muskoka (Mr. McGibbon:)

That clause 8 as printed in the Bill be struck therefrom and the following substituted therefor:

"In the case of bran, shorts or middlings, it shall be considered to be adulterated if it contains anything that is not a product of wheat, or, in the case of corn bran, if it contains anything that is not a product of maize or Indian corn."

This Bill is far from complete, and we shall be much worse off than at any time in the past if it goes through in its present form. I am therefore moving that the provision passed at the last session be embodied in the Bill, instead of empowering the minister to consult somebody who will by some process of reasoning embody something in the regulations that we do not know anything at all about.

Mr. HENDERS: I am of the impression that the definition of bran and shorts should come under section 6, where provision is made for dealing with bran and shorts. I do not think the definition should be inserted in section 8.

Amendment negatived.

Section agreed to.

On section 11—certificate of analysis as evidence:

Mr. J. W. KENNEDY: Who pays the cost of analysis of samples?

Mr. TOLMIE: It is free so far as the working of this Bill is concerned.

Section agreed to.

On section 12—analysis, etc., may be published:

Mr. SUTHERLAND: What is hoped to be accomplished by this section, and why is the word "may" used instead of saying that the minister "shall" publish?

Mr. TOLMIE: It was thought better to leave it to the discretion of the minister whether to publish the results or not. Take the case of a large dealer who can stand a fine of $200, or $300 or $400 without feeling very much injured. If it is published throughout the country that he is selling feed that has been adulterated, he would suffer to a much greater extent than by the fine. That is why it is left to the discretion of the minister.

Section agreed to.

On section 14—regulations:

Mr. SUTHERLAND: We all appreciate the fact that instead of using the employees now available in the various branches of the Government, the Civil Service is being added to continually. I understand from the remarks the minister made the other night that he does not contemplate appoint-

ing a permanent board, but merely a board with whom he can consult from time to time with reference to this matter. I again wish to repeat that I am disappointed that Parliament is being absolutely ignored in this matter of regulations. The minister asks Parliament to let him consult with and act upon the advice of men whom he says will know much better than the people who will be held responsible for this legislation by the people of this country. As far as I am concerned, I am absolutely opposed to such a procedure. I object to the passing of this section.

The CHAIRMAN: Carried.

Mr. SUTHERLAND: I ask that the yeas and nays be counted.

The CHAIRMAN: Mr. Tolmie moves that clause 14 stand as part of the Bill. Is it the pleasure of the committee to adopt the motion?

Some hon. MEMBERS: Yes.

Mr. SUTHERLAND: No.

The CHAIRMAN: In my opinion the yeas have it. I declare the section agreed to.

Section agreed to.

On section 17—innocent purchaser protected:

Mr. McKENZIE: In regard to the question of costs I think an extraordinary principle is introduced here. This is a criminal offense, and while it is not very serious, nevertheless it must be dealt with as a criminal offense, and the principles of criminal law must be applied. The question in a criminal action is whether a man is guilty or not. If he is guilty he should be punished, and if he is found not guilty, whatever may have happened is by that very fact proved to have been due to no fault of his. He is declared not guilty and is therefore entirely innocent of any offense, and there can be no reason whatever why he should be mulched in costs. The provision of this Bill is a new doctrine to me and, I have no doubt, to every lawyer in the House. If a man is not guilty he should not be subject to any penalty, and the costs in a criminal proceeding are part of the penalty. In this clause you provide that although a man may prove himself absolutely innocent, although he may know that he had no knowledge that there was anything wrong in the transaction, did not know that there was any deleterious substance in the stuff, and considered that everything was all right, being confident that he was not violating the law; and although the court may have found him not guilty, nevertheless he shall "be liable upon conviction for the costs of the prosecution only." I do not know what advice the minister has received on the point, but it seems to me to be a new departure in criminal law procedure.

Mr. TOLMIE: It is not an entirely new departure, for it has been a part of the Seed Control Act for the last fifteen years and it has been found to work very smoothly. All that is necessary is to ask the retailer to go before a justice of the peace and make a sworn statement which will cost from fifty cents to a dollar, and this is essential before we can begin prosecution of the manufacturer who sold the goods.

Mr. McKENZIE: There is another peculiar feature about this section. The magistrate can, without a hearing, pronounce judgment upon the information laid before him. Surely that is an extraordinary line of procedure. Before a man can be pronounced innocent or otherwise evidence must be taken and the person who lays the charge must be called upon to substantiate it. But as I understand the situation, some one can go before the magistrate and make an affidavit and without a hearing of the other side, the case is decided. That seems to be another new departure.

Mr. TOLMIE: I have no legal training, and I can only say that this provision has been working very smoothly for fifteen years in the Seed Control Act, from which it was taken.

Section agreed to.

Bill reported, read the third time and passed.

## PENITENTIARY ACT AMENDMENT

On motion of Rt. Hon. C. J. Doherty (Minister of Justice) Bill No. 138 to amend the Penitentiary Act was read a second time and the House went into committee on the Bill, Mr. Boivin in the Chair.

On section 1—Minister to have power to make regulations for administration, etc., of penitentiaries:

Mr. FIELDING: Is it proposed that the minister himself shall make these regulations without the assent of Council?

Mr. DOHERTY: Under the law the administration is, by the clause to which these words are to be added, placed in the hands

of the minister. These regulations are not regulations in the way of laws to govern the people of Canada in general; they are regulations dealing with the administration and discipline of the penitentiaries of Canada.

Mr. FIELDING: No penalties attached?

Mr. DOHERTY: No penalties attached.

Mr. LEMIEUX: Was there not a commission appointed to investigate the treatment of the prisoners in the various penitentiaries, and was there not a report made to the minister?

Mr. DOHERTY: We have not had any recent investigation.

Section agreed to.

Bill reported, read the third time and passed.

## CRIMINAL CODE AMENDMENT.

On motion of Rt. Hon. C. J. Doherty (Minister of Justice) Bill No. 137, to amend the Criminal Code was read a second time and the House went into committee on the Bill, Mr. Boivin in the Chair.

On section 1—Definitions of appeal court amended to meet changes in title of courts:

Mr. FIELDING: Did the minister, on the first reading, explain the general purpose of this Bill?

Mr. DOHERTY: Yes, in so far as there is a general principle, but as there are amendments to different articles of the code it can hardly be said that there is any principle running through the Bill. The first section is for the purpose of making the names of courts conform to the changes which have been made in the names of those courts by provincial legislation.

Mr. McKENZIE: For the purpose of naming the appeal courts?

Mr. DOHERTY: In regard to the first paragraph, there is no change, and the reason they came to be included was that we desired to include all the provisions about the courts. With reference to the provinces of Nova Scotia, New Brunswick and British Columbia the Code says that the appeal court shall be the "supreme court en banc." In New Brunswick and in British Columbia the legislatures have altered the constitution of their courts and instead of having one court with an appeal to that court sitting en banc, they have constituted a court of appeal and a court of first instance. In order to have these proceedings, which are proceedings intended to go to the court of appeal, go to the court of appeal of the province, we have to make this modification. There is no longer a court that sits en banc to hear appeals. This is simply to meet the change in the constitution of the provincial courts as brought about by provincial legislation.

Section agreed to.

On section 2—permit required for firearms and certain weapons:

Mr. FIELDING: Wherein does this provision differ from the existing law?

Mr. DOHERTY: It differs by extending the provisions so as to make it cover all classes.

Mr. FIELDING: Additional weapons?

Mr. DOHERTY: All firearms. Heretofore it was limited to arms that could be concealed upon the person. The Criminal Code was amended last year, and in order to show the precise difference I must refer to the Statutes of 1919.

Mr. FIELDING: Never mind doing that, the general purpose can be stated.

Mr. DOHERTY: That is the purpose.

Mr. McKENZIE: A British subject is only relieved from the necessity of obtaining a license in respect to any shot gun which he owns, but if such a person were to buy a shot gun the license provision applies. If a man now has a shot gun he is all right; but if his neighbour thinks it proper to purchase a shot gun in order to shoot partridge, duck or the like, he must obtain a license. That is making a discrimination of which I do not quite see the force.

Mr. DOHERTY: I may say it was considered desirable under existing conditions that we should have a control over the trade in firearms generally. Reports coming from the police, and coming also to some extent from information reaching the military authorities, indicated that in certain localities at different periods there was what looked like an extraordinary movement in the acquisition of firearms. It was thought desirable that we should have a control over them, and therefore we have the system established which existed previously in the case of a certain class of firearms, and which existed previously as regards aliens. Now it is extended so as to cover the acquisition and possession of firearms generally. It did not seem right, however, that a British subject—who under the law as it stood was under no restriction as

regards this class of arms—should be controlled as regards those arms that he had already acquired. This is in order to make the law operative—in so far as it imposes any restriction in regard to shot guns—only with respect to the future. That is the purpose of making the distinction.

Mr. DUFF: Is it necessary for the owner or captain of a ship to procure a license before he can purchase firearms to take on board his ship? It is sometimes necessary for the captain of a vessel to take firearms on board a ship in case of any trouble. Furthermore, it is customary to have on board a fishing vessel a swivel, or small cannon, to be discharged in a fog in order to let the fishermen when out in their boats, know in which direction to go to reach the vessel. Is it necessary for them to obtain a license in order to place this firearm on board the vessel?

Mr. DOHERTY: There is no exception for that class of persons, and therefore I think they would come under the law. I may point out that no respectable person will have any difficulty whatever in obtaining a permit. If the hon. gentleman will refer to the sections of the existing law which cover the granting of permits, he will find that the officers empowered to grant these permits are so numerous that certainly nobody at any port from which a vessel requiring to carry a firearm would have to leave will have the slightest difficulty in obtaining a permit.

Mr. FIELDING: By whom are the permits issued?

Mr. DOHERTY: The list of officers authorized to grant permits is numerous. It includes magistrates, mayors, officers of the Northwest Mounted Police and commissioners of police. The numeration was extended at the time the Act was passed so as to include every officer that within reason could be suggested as a person who might be entrusted with that authority, the view being to insure that in practically every part of the country every respectable person would have easy access to the officer authorized to grant the permit.

Mr. FIELDING: Is there any fee to be paid?

Mr. DOHERTY: No.

Mr. DUFF: Is there a penalty in case of not obtaining a license?

Mr. DOHERTY: Yes, there is a penalty for a person having the arm without a permit, and there is a penalty for the man who sells the arm if he does not satisfy himself that the party purchasing has a permit.

Mr. DUFF: There must be a permit for every individual purchase?

Mr. DOHERTY: Yes.

Mr. DUFF: What about the question of jurisdiction on the high seas outside the three-mile limit?

Mr. DOHERTY: As to jurisdiction we are not purporting to legislate in this Act to make it an offence to carry a firearm on the high seas outside the three-mile limit. What our power is in that regard would perhaps be a question connected with one of the resolutions on the Order Paper. At all events, power or no power, we are not pretending to exercise any such right by this legislation.

Mr. POWER: Do I understand that a British subject who is now the possessor of a shot gun may still keep it without obtaining a license?

Mr. DOHERTY: Yes.

Mr. POWER: What about the child who owns an air rifle at the present moment, what becomes of him?

Mr. DOHERTY: I do not know whether you could describe—

Mr. POWER: Are you afraid of his Bolshevist activities?

Mr. DOHERTY: I would assume that this law, like all other laws, would be applied with some degree of intelligence. I fancy that a child who might own an air gun would not be in very serious jeopardy if he did not obtain a permit. I want to be perfectly frank. The purpose is as I have explained, and we do not think it is imposing any hardship upon anybody, when we make it possible for any respectable person to obtain a permit without any difficulty. The purpose is to enable us to obtain knowledge of the trafficking in dangerous firearms, and keep control over persons who have them in their possession. Police reports at different times have urged the great importance of this knowledge and control. In connection with applications for clemency it is astonishing how much crime is attributable to the ease with which people obtain firearms and the indiscriminate way they use them. We do think that the very slight inconvenience imposed upon respectable citizens is more than justified by the importance of our being able to control the possession of these dangerous weapons.

Mr. POWER: I do not see the logic in refusing a permit to the owner of a rifle and granting it to the owner of a shot gun. It seems to me that a shot gun at short range would do just as much damage as a rifle, probably more.

Mr. DOHERTY: It was pointed out that there is a much wider field of use for the shot gun for purposes entirely disconnected with violence. If we are a trifle too severe on the man who owns a rifle—

Mr. POWER: But how many respectable citizens who go hunting every autumn have rifles at home? They will never think of applying for a permit, and they will be liable to great annoyance by some officious magistrate,—and his type is frequently met with in the country.

Mr. DOHERTY: This law, like every other law, will become known, and I do not think any respectable citizen will resent being called upon to take out a permit. On the contrary, I think all respectable citizens will realize the importance of control in this matter, and will be glad to contribute to that control at the slight inconvenience of applying for a permit. Of course, it is a most unfortunate thing, but law cannot be administered except upon the assumption—a very violent assumption I know—

Mr. POWER: That a man thinks.

Mr. DOHERTY:—that men know and think.

Mr. POWER: Provided the law be reasonable; but this law does not seem to be reasonable.

Mr. DOHERTY: I have stated what seems to me to be reasonable.

Mr. POWER: But the men I have in mind have used rifles all their lives perhaps, and because the hon. minister and the Government for some reason or other have got it into their heads that Bolshevism or some other "ism" is rampant in the country they are going to force such men to run round for a permit. The most reasonable and law abiding citizens will not think of such a thing.

Mr. DOHERTY: I have a larger faith in the capacity for thought of the reasonable law-abiding citizens of this country.

Mr. POWER: But this is not a reasonable law.

Mr. DOHERTY: So far as I am capable of judging of what is reasonable and what is unreasonable, I think this is a reasonable provision. Reasonable citizens who drive in automobiles—

Mr. POWER: The automobile is more dangerous than the rifle.

Mr. DOHERTY: Perhaps it is. But automobile owners are required to obtain licenses; and I might instance numerous other cases in which licenses are required. I think the hon. gentleman will find that his apprehensions will not be justified in the practical working out of this legislation. It cannot be reasonably suggested that because we have a law against the carrying of concealed weapons we are all liable at any moment to be stopped by a constable on the street and searched. How often does that happen to respectable citizens? On the other hand, this is a most invaluable safeguard in respect to citizens who do not happen to be reasonable or worthy to have in their possession arms of this kind.

Mr. POWER: My principal objection is that by this law a shot gun is excepted and a rifle is not. What distinction can be drawn between a shot gun and a rifle I do not know. Supposing I have a rifle in my possession at home, and before going away shooting I apply to some magistrate in the country for a permit; for some reason or other he refuses to issue me one; what becomes of my rifle? Do I give it to the magistrate? Do I throw it away? Or is any provision made for compensation for the confiscation of my property?

Mr. DOHERTY: I can only suggest that in that case the hon. gentleman should take the trouble of finding a reasonable magistrate,—and there are lots of them.

Mr. FIELDING: What meaning would the minister attach to the word "shot gun" in the tenth line? A British subject is not required to obtain a permit to own a shot gun which he already possesses. But in the list of things banned shot guns are not mentioned. I would think that "shot gun" was intended to cover all forms of guns and rifles.

Mr. DOHERTY: The preceding word covers every kind of machine gun, rifle, gun, revolver, etc.

Mr. FIELDING: But not the shot gun?

Mr. DOHERTY: It does not say "shot gun," but it covers every gun, and we make an exception for the shot gun already owned. "Shot gun" is already included among the weapons mentioned, and moreover would be included among "firearms,"

for it is a firearm. What was urged upon us as a reason for making this exception was the very widespread extent to which farmers in this country, and particularly in certain sections, own shot guns and consider them as practically part of their equipment. It was thought that we should not make this law operative in respect to weapons of that kind already owned by them. The difference between the two situations is that in regard to that particular kind of weapon the law is to apply only to those firearms which are hereafter acquired.

Mr. FIELDING: Why should this provision not read?—

Provided that no British subject shall be required to obtain a permit with respect to any gun now owned by him.

What is the object of using the word "shot gun?"

Mr. DOHERTY: It was thought that that expression would best cover the case of those persons who are already in possession of a weapon of this kind the principal purpose of which is for use in hunting. I do not say that the rifle is never used for hunting, but that is not its primary or principal purpose, as I understand it. On the other hand, it was reported to us that the shot gun is the weapon which the farmer keeps in his house and uses, more particularly in the western part of the country. The idea was to avoid withdrawing from a large class of the people a privilege which they had hitherto enjoyed. I can offer no fruther reason for the distinction. Perhaps it is not absolutely well founded, but there seemed to be good reason for making it. If experience should show that it is desirable to extend these requirements to other weapons, we shall be able subsequently to amend the law in that regard. In the meantime we have the general provision on the subject.

Mr. DECHENE: Will the permit be good all over Canada?

Mr. DOHERTY: There is no restriction upon the place where a permit issued by a competent officer may be used.

Mr. COCKSHUTT: Does this clause apply to obsolete arms or arms that are used for purely decorative purposes? I know of several public places and dwellings where articles enumerated here are used for decorative purposes only.

Mr. LEMIEUX: Panoplies.

Mr. COCKSHUTT: Some of these weapons are hundreds of years old; they are collected by people who make a kind of hobby of that sort of thing. To require a permit for each arm of that kind would work considerable hardship. I do not know what the permit costs; it may be free. But some of these articles might be difficult to name. We do not want to do injustice to a very large number of our citizens who are already in possession of many of these articles.

Mr. DOHERTY: I have to confess that I had not considered that possible event. I think it would be an extreme interpretation to say that a man who had a gun such as is used for decorative purposes would be in possession of a firearm in the sense of this statute. If the hon. member thinks that the cases are so numerous and the probability of the law being interpreted to cover such cases so great as to necessitate an exception, I have no objection to making an exception to meet the case. I think, however, that we may safely count upon the word "firearm" being interpreted as being an arm susceptible of being used today as a firearm. We have had this sort of legislation for years, and I do not know that people who preserve, say daggers, as curios or mementos or objects of historical interest have ever been troubled under it. I think we may safely let the law stand in its present form, and if it gives rise to any cases of that kind we may take care of them. It is difficult to anticipate all the cases that might be conjured up as coming within the section.

Mr. McKENZIE: Does the word "person" in this section include a corporation?

Mr. DOHERTY: The general Interpretation Act, and, I think, the interpretation clauses of the Criminal Code, make the word "person" include a corporation. I see no reason why a corporation should be entitled to have weapons of this sort without permit any more than an individual person. Of course, possession on the part of a corporation must be possession on the part of some individual person; a corporation cannot act except through persons.

Mr. McKENZIE: I think the minister is right in saying that the word "person" includes a corporation. I note that cannons are being distributed all around the country to corporations, who are accepting them as gifts from the Government. Will these corporations be obliged to go to a magistrate and get a license to hold those guns?

Mr. DOHERTY: I think they will; I do not see why they should not. I do not see why a corporation or a person should not

be required to get a permit to possess a cannon when we provide ample facility for the obtaining of a permit. Corporations as well as individual persons could help us out in that regard.

Mr. REID (Mackenzie): I would inform the minister that out West the rifle is just as common as the shot gun in the farmer's home. I look upon the shot gun as a more dangerous weapon than the rifle. I think both the rifle and the shot gun should be allowed, as a concession to the farmers.

Mr. DOHERTY: Of course, the hon. gentleman has a more intimate knowledge of western conditions than I have, but I may say that from inquiry I made on the subject the impression that remained with me and with my colleagues—because we made inquiry on the subject that we thought was sufficient—was that the shot gun was the more usual and the more necessary weapon. It is difficult for us, in passing a law of this kind, to begin differentiating between different classes of people. In the circumstances in which weapons of this sort are sources of danger, we do find that the rifle figures more frequently than the shot gun and that therefore there is a greater need for control of the possession of the rifle than there is for control of the possession of the shot gun. That is the result of our inquiry. The argument may get this far; that because we do feel that we ought to control the possession of the rifle, if hon. gentlemen persuade us that there is no distinction to be made between the rifle and the shot gun, we shall have to consider whether we ought not to withdraw the exception made in favour of the shot gun. I think that outside of weapons that can be concealed the rifle is perhaps the most important weapon for us to see, as far as we may, that it is only in the hands of proper people. I would sympathize with my hon. friend's objection if there was any real difficulty for any respectable man to get a permit, but, as I have said, we have provided to make it the easiest thing in the world for a respectable man to get a permit. At the time the statute went through the House, I accepted suggestions from everybody who could suggest to me an officer that might be authorized to give this permit, because I recognized, and I recognize still, that we ought not to make this a burdensome thing, and it is not a burdensome thing.

On section 3—signing pretended affidavit or declaration:

[Mr. Doherty.]

Mr. McKENZIE: Was it not the intention to limit this to improper use of an affidavit in the case only of judicial proceedings? There might be some tomfoolery about something that looked like a declaration that was not in a judicial proceeding at all. I would think that the intention of the Act was that if a person uses such a declaration or affidavit in any judicial proceedings he shall be subject to a penalty.

Mr. DOHERTY: The intention was to make it an offence for any person to send a man out in possession of something that on its face is an affidavit sworn to before a proper officer, when it never was so sworn. There have been brought to my attention quite a number of instances where this has been done, and where, outside of actual judicial proceedings, it has been used to perpetrate a fraud. For instance, it has been brought to my attention that in certain parts of the country there is a widespread practice among certain gentlemen authorized to issue marriage licenses, and who in the issue of the licenses, have to take affidavits from the person applying for the license, to leave with their clerk or lady stenographer the necessary form, and when any man came along and wanted a marriage license the lady would fill in the form with his name and so forth, and when our issuer of marriage licenses got back, without ever having seen the man, he certified at the bottom that that man had sworn to it. Now that is a serious offence. Any man who is authorized to administer oaths should certainly realize that he is not entitled to certify that a man swore to a certain thing when he did not swear to it.

The second paragraph deals with the offence of the man who puts the affidavit forward as being a proper affidavit. Many and many a transaction has been put through, quite outside the courts, upon the faith of an affidavit. It seems to me that the practice of going out and palming off these documents as affidavits which are really not affidavits calls for repression, and if we limit it exclusively to judicial proceedings we shall fail to reach a large number of cases that ought to be reached. I do not know why it should have happened, but there seems to have been a sort of outbreak of this thing. I have had communications from different sources calling my attention to the abuse made of these pretended affidavits, and as it happens these cases were not in judicial proceedings. In a judicial proceeding you have a judge and some authority to take pains to verify the affidavits.

But take the case with regard to marriage licenses. Certainly that is a very great abuse, if it prevails to any widespread extent, and in the particular cases which came to my knowledge, the gentleman who issued these licenses was surprised at the suggestion that he did wrong, and the young lady who had been employed in that particular instance was surprised to learn that she was doing anything wrong. She says " Why, for years I was in the employ of Mr. So-and-So, and Mr. So-and-So, and Mr. So-and-So, all of whom were authorized to issue marriage licenses—"

Mr. FIELDING: Does the false affidavit affect the validity of the marriage?

Mr. DOHERTY: No, but the requiring of the affidavit is for the protection of the other consort, or any other people who may be interested. It certainly is a very grave evil, even if it should not go so far as to affect the validity of the marriage, that people should be enabled to avoid the consequences of perjury,—for if they did not swear to anything they cannot be convicted of perjury,— by making use of what purports to be an affidavit but which they know is not an affidavit. The purpose was not to confine the offence to judicial proceedings. If anybody gets into trouble, because he wants to get into trouble by sending out sham affidavits I do not think he is entitled to a great deal of sympathy, and if it be simply a joke, I have no doubt the magistrate will mete out the proper punishment. But it is a serious thing, and people ought to have it impressed on them that the oath is not a thing to be fooled with in reality or in appearance.

Mr. J. F. REID: Referring for a moment to the section we have just passed, where there are several sons in a farmer's home will each member of the family who wishes to use the rifle have to have a separate permit?

Mr. DOHERTY: Oh, no. The rifle is, properly speaking, in the possession, I would take it, of the home. If the individual wants to take that rifle away in his own personal possession and use it, I think he would be required to have a permit, and that is for the purpose of keeping a check upon the people who use these weapons. Any one who wants to carry a firearm of that kind must get a permit.

Section agreed to.

On section 4—seduction of girls between 16 and 18 instead of 14 and 16.

Mr. PROULX: Is this the same clause as that passed last year and the year before?

Mr. DOHERTY: Yes. This and several of the following clauses were passed last year. In fact, this one was passed in 1918 and 1919, but the Senate did not look with favour on it. We propose to send these clauses back.

Section agreed to.

On section 7—betting, pool-selling and book-making.

Mr. McKENZIE: Does the minister become sponsor for this remarkable section? I do not profess to understand it myself but I take it that the minister knows all about it.

Mr. DOHERTY: The section reproduces the law as it stands, with all the existing restrictions upon the permissibility of organized betting. The reason it is so long and complicated is the fact that it repeats all the restrictions that already exist, and it adds certain further restrictions. In the first place, the organized betting is to be exclusively by the operation of the parimutuel machine; the bookmaker is gone. In the second place, the profit to be taken by the association or person conducting a race meeting is limited to the percentages mentioned in the section as follows:

| | |
|---|---|
| Where the total amount staked or deposited on each race is under $20,000.. | 7% |
| $20,000 but not exceeding $30,000.. .. | 6% |
| Over $30,000, but not exceeding $40,000. | 5% |
| Over $40,000 but not exceeding $50,000.. | 4% |
| Over $50,000.. .. .. .. .. .. .. .. .. .. | 3% |

In addition the machines are to be subject to the approval of the officer of the Minister of Agriculture; the operation is to be carried on under his supervision. The machines are to be locked before the horses can be started, and if the proprietors of the race track do not devote what in the judgment of the Minister of Agriculture is a proper proportion of the moneys so derived from these percentages to giving prizes for the encouragement of horse breeding, the minister is empowered to require them to discontinue the use of the machine or in other words to prevent any organized betting on the race track. The purpose is to create a situation where no association will have the privilege of organized betting on its race track if the association is one that is in the business for what it can make out of it. It will prevent there being any big haul for the gentlemen who want to engage in this organized betting as a business,

and we expect that it will reduce the race tracks to those which are controlled by people who bona fide, carry on their racing for the sake of the sport and to whom the betting feature is purely incidental, something, which, according to the testimony laid before Mr. Rutherford the Commissioner, is, by a large number of people at all events, believed to be essential to keeping up a state of interest in the meetings and inducing people to support them. We think that the clause surrounds the privilege with every restriction with which it can be surrounded if it is to be allowed to exist at all.

Mr. McKENZIE: Is this machine that the minister has spoken of capable of fraudulent manipulation? I do not know very much about these things but I have heard it said that some of the machines that are used, slot machines and that sort of instrument, can be so adjusted as to be made unfair to the man who is betting. I suppose the minister is satisfied that there is no such device in connection with the machine that is used on the race track?

Mr. DOHERTY: We have provided as an additional precaution that the machines used have to pass the inspection of an officer appointed by the Department of Agriculture for the purpose of seeing that there is no trick about them.

Mr. FIELDING: What is the object of making a distinction between trotting races and others?

Mr. DOHERTY: The distinction is not new; it exists in the present law and has existed in the past. Our information is that the great evils that are claimed to have resulted—and I think it cannot be questioned have resulted—from the abuse of the betting privilege have, whatever may be the occult reason, been more in connection with running races than with trotting races. I understand furthermore that trotting races very largely take place in connection with fairs, agricultural exhibitions and gatherings of that kind, and I am informed that the experience is that they do not generate the grave evils that have unfortunately surrounded the running race tracks. In regard to trotting races we are making no change in the law. Additional restrictions are being put on running races and I may say that a large number of restrictions had already been put on the running races which are not made applicable to trotting races.

Mr. PROULX: How many race tracks are there in operation?

[Mr. Doherty.]

Mr. DOHERTY: I have not that information before me now, but they have grown considerably and that is one of the things that we hope this law will kill. We have reason to believe that quite a number of race tracks have sprung up as money making things pure and simple, and it is in connection with these race tracks and moneymaking by persons running race tracks that we expect that the effect of this law will be to disinterest this class of people in racing associations, and that in the future we may hope to have racing controlled by people who are interested only for the sport and for the encouragement of the breeding of good horses and to whom the betting is a mere incident as the profit which they may get out of it is a mere incident.

Section agreed to.

On section 9—carnally knowing girl between 14 and 16:

Mr. PROULX: What is the maximum punishment now?

Mr. DOHERTY: This is to create a specifiv offence in regard to a girl between 14 and 16. As the law is at present it is an offence to have carnal knowledge of a girl under 14. There is no protection to a girl of 16. We are raising the age to 16 and making the punishment in the case of a girl between 14 and 16 not as severe as it is in the case of a girl under 14.

Mr. PROULX: Consent is not material now?

Mr. DOHERTY: Consent under 14 is entirely immaterial. Consent under 16 will be immaterial in the future, but the punishment of a person committing an offence with a girl between 14 and 16 is not made as heavy as it is with regard to a girl under 14. In the case of a girl under 14 a man is liable to imprisonment for life and to be whipped. While we have extended the period of protection it has not seemed to Parliament in both instances in which it has dealt with it that the punishment should be as great in the case of this new offence as it was in the case of the old one.

Mr. PROULX: What is the maximum punishment under the Code in the case of a girl between 14 and 16?

Mr. DOHERTY: The present section, 301, reads as follows:

> Every one is guilty of an indictable offence and liable to imprisonment for life, and to be whipped, who carnally knows any girl under the age of fourteen years, not being his wife,

whether he believes her to be of or above that age or not.

So that if the girl is under the age of fourteen the man is liable to imprisonment for life. Where the girl is between fourteen and sixteen the man is liable to imprisonment for five years. There is a substantial difference between the penalties.

Section agreed to.

On section 10—Unlawfully wearing decorations or uniform, or unlawfully possessing certificate of discharge, or unlawfully making alterations in such certificates.

Mr. PECK: I entirely sympathize with this section, but I would like to ask for an explanation from the minister in regard to subsection 2 dealing with the onus of proof. It is the easiest thing in the world for a man to lose his discharge papers, and unless he were given ample time to prove his identity he might suffer hardship.

Mr. DOHERTY: Of course it would be the duty of the court to give him every possible opportunity to present proof. The only purpose of the section is to relieve the prosecution of proving the negative, that is proving that he had no right to wear the uniform. I think in the great bulk of cases a man who is lawfully wearing a uniform, or the decorations referred to in the subsection, will have no serious difficulty in proving his right; the mere loss of his discharge papers would not make it impossible for him to prove it.

Mr. PECK: He could prove his identity and get a duplicate?

Mr. DOHERTY: I have no doubt the court would give him every reasonable opportunity of bringing that proof.

Section agreed to.

On section 11—Process not to issue for the arrest or summoning of a person outside a province without approval of Attorney General or a judge.

Mr. PROULX: Will that not cause delay in having the process served. In Ontario the judges of the Supreme Court of the province all reside in the city of Toronto.

Mr. DOHERTY: It may cause delay, but it is to be borne in mind that this is a clause applicable in the somewhat exceptional case where a warrant issued in one province is to be executed in another province and the accused brought out of his province for trial. Now it has been urged that it is a very great hardship that it should be in the power of any irresponsible individual who goes and swears out a warrant to bring a man from Gaspé in the province of Quebec to, if you like, Vancouver, there to find that there is an unfounded charge against him. He will be put to very heavy expense in returning, and so forth. It has seemed under those circumstances that, if the party complaining is not willing to go to where the accused is and have him arrested and tried there, it is not imposing an unfair requirement to demand that some responsible party should justify that man being brought out of his own province. I may say that our attention was specially called to this in connection with prohibition legislation. The hardship of subjecting a man to be taken out of one province to be tried in another was very strongly urged, and this very objection made—that a man is liable to be brought out of his own province and nobody is responsible. This safeguard was adopted in that particular legislation, and it has been urged upon us that it would be desirable to make it of general application.

Mr. PROULX: In a province where there are county court judges those judges could be added.

Mr. DOHERTY: I think there would be no objection to adding the words "or a county court judge."

Mr. FIELDING: It would be better to add the words, "or a county court."

Mr. DOHERTY: Then the section would read: "or a judge of the superior court or of a county court." I move that the section be so amended.

Mr. McKENZIE: How will the section read as amended?

Mr. DOHERTY: It will read as follows:

No warrant or other process shall be issued in any province for the arrest or summoning of any person residing in another province without the approval of the Attorney General or a Judge of the Superior Court or of a County Court of the province where it is sought to issue the process.

Mr. McKENZIE: It is quite possible that in criminal proceedings a man might be wanted merely as a witness. In the provinces of Nova Scotia and New Brunswick we have two towns very close together, Amherst and Sackville, and if you want a Sackville man over at Amherst you have to go

to the county court judge at Pictou or to the Attorney General at Halifax before you can issue a subpœna.

Mr. DOHERTY: I take it that the provision would not apply to the subpœnaing of a witness. The words are:

No warrant or other process shall be issued in any province for the arrest or summoning of any person residing in another province—

The hon. gentleman of course knows that on a charge or complaint being laid against a man there issues a warrant for his arrest or a summons for him to appear, and I take it that the process in question is the process for the arrest of any person accused of an offence. I do not think the words cover the subpœning of a witness.

Mr. McKENZIE: If the section was amended to read, "no person shall be summoned or arrested upon a criminal charge," I think that would meet the objection I am taking. The Minister of Justice is aware that if I go before a magistrate and make an affidavit that I have reason to believe that a witness will not attend on an ordinary subpœna, I can get a warrant for his arrest. In a case of that kind a man would be arrested when merely wanted as a witness.

Mr. DOHERTY: There is nothing like making things clear, and I will be quite happy to accept the suggestion. I beg to move that section 11 be amended by inserting after the word "summoning" in the nineteenth line the words "upon a criminal charge." The section will then read:

No warrant or other process shall be issued in any province for the arrest or summoning upon a criminal charge of any person residing in another province—

Mr. PROULX: But there are certain laws which are considered to be penal and not criminal, such as the Ontario Temperance Act. Would that cover it?

Mr. DOHERTY: We have nothing to do with those laws; this is the Criminal Code.

Mr. PROULX: That is right. In the western provinces I believe they call their courts "district courts" instead of county courts; and in Ontario there are certain district courts.

Amendment agreed to.

Mr. DOHERTY: I move that section 11 be further amended by inserting after the word "Court" in the twenty-first line the words "or of a County Court or of a District Court."

Amendment agreed to.

Section as amended agreed to.

On section 12—appeals in summary convictions in Saskatchewan and Alberta.

Mr. DOHERTY: I move to amend this clause by inserting after the words "District Court" in line twenty-seven the words, "of the district in which the cause of the information or complaint arose." I may say that this amendment is being made at the request of the Attorneys General of the provinces of Saskatchewan and Alberta in order to remove a doubt which existed under the present legislation as to what court an appeal should be taken to from a magistrate's decision. Under the present wording it has been argued that a convicted party was entitled to take his appeal to the nearest district court, when that was the district court sitting at the place nearest to where he was convicted, without regard to whether it was within or without the judicial district. Both these law officers concur in the view that, it being desirable to avoid confusion, it should be made clear that the appeal must be to the district court in which the cause of action arose. As the present printed wording might still leave some doubt, I move that amendment.

Mr. McKENZIE: Sometimes we have confusion in our county of Cape Breton because we have two places at which the County Court sits, and it is rather doubtful which of those the appeal should be taken to. In civil and quasi-criminal matters the provincial law is that the appeal shall be to the court sitting at the nearest place to where the trial magistrate sat; but I do not think there is anything like that in the Criminal Code. There I think the rule is that the appeal shall be heard at the next sitting of the County Court, and that may not be nearest to the place where the magistrate tried the case. It seems to me it would be well to have it stated that the appeal be to the court sitting nearest to the place of the first trial. Witnesses should not be taken away from home further than is necessary.

Mr. DOHERTY: The provision now seems to be for the province of New Brunswick precisely what we are trying to make it for the provinces of Alberta and Saskatchewan. The provinces of Nova Scotia, New Brunswick and Manitoba are dealt with in subsection (c) of this section 749, and the provision is that the appeal shall be to the

County Court of the district or county where the cause of the information or complaint arose.

Mr. McKENZIE: What I have in view is this: When the county court sits in more than one place in the same district, under that law you have to go to the first sitting of the court whether it is the nearest court or not. Under our provincial law there is a provision that you may go to the court sitting at the place nearest to where the magistrate tried the case. In our county the court sits at Sydney, but it also sits twice a year, for the hearing of appeals and other matters, at North Sydney, on the other side of the water. If a case is tried at Sydney Mines or North Sydney the appeal must be heard, under the present law, at the first sitting of the court at Sydney, although that is not the nearest place.

Mr. DOHERTY: This particular provision does not impose any obligation with regard to the place at which the appeal shall be heard when the court sits at more than one place in the same district. Does this provision oblige the person appealing to go at the very next sitting? I ask that question for this reason: In these matters of procedure we have made it a practice not to modify provisions of that kind without consultation with the law officers of the province affected. Unless the hon. gentleman is absolutely clear that there is a substantial necessity for modifying this provision I would rather not do so without consulting the law officers of the province.

Mr. McKENZIE: I am not asking the minister to do it on the spur of the moment. But there is a provision in the Criminal Code which says that if the magistrate's trial takes place more than fourteen days before the sitting of the higher court, then the person appealing must go to the first sitting of that court, regardless of whether or not it is the nearest or more remote from the place where the magistrate's trial was held. We find it inconvenient in our county because one court sits very much farther away from Sydney Mines than the one which sits at North Sydney. We are always careful that we do not give the notice of appeal to the wrong court. However, I do not ask the minister to change the provision now.

Mr. DOHERTY: I shall take it up with the Attorney General of the province with a view to further action.

On section 15—provision that no prisoner may re-elect later than 30 days before jury trials commence not to apply to county of York, Ont.

Mr. McKENZIE: What special provision is this?

Mr. DOHERTY: The proviso referred to, embodied in the statutes of 1919, was for the purpose of preventing an abuse that had grown up in different parts of the country with regard to cases where the accused had an option whether he should be tried by jury or take his trial before the magistrate or the judge of Sessions in different parts of the country. The abuse had grown up on the part of the accused, especially in Montreal and the province of Quebec, of making options for trial by jury upon being arraigned, and then, when the grand jury found, if it did find, a true bill against him, of withdrawing the option and declaring for trial before the Court of Sessions. The result was a very long delay between the arraignment of the accused and his trial, giving rise to many inconveniences,—the detaining of witnesses, and so on. Last year the law was amended doing away with the privilege, once the option had been made, of withdrawing that option and choosing to be tried before the magistrate or the judge of Sessions. It has been represented, however, that in the county of York the operation of that law has been such as unduly to encumber the Courts of Sessions and to cause other material difficulty in the administration of justice. It was thought proper to meet the request of the law officers of the province and except that particular county from the operation of this section.

Mr. McKENZIE: As I understand it, the law previously provided that the accused could elect to be tried by a jury instead of by a judge and that he could later reverse that decision any say that he would prefer to be tried by the judge without a jury. The minister tells us that under the amendment of last year the prisoner could only elect once for all. Are we now going back to the old law so far as the county of York is concerned?

Mr. DOHERTY: It will withdraw the county of York from the effect of the provision of last year's Act. Here is the proviso. It did not go as far as I suggested, but it limited the time within which a man might make his option. The proviso reads:

If an indictment has been preferred against a prisoner the consent of the prosecuting officer

shall be necessary to a re-election, and in such case the sheriff shall take no action on being informed of the prisoner's desire to re-elect unless such consent is given in writing.

This, I think, is the particular proviso:

And provided also that no prisoner shall have a right to re-elect later than thirty days before the day fixed for the next sittings of the court at which trials by jury can be had, unless the prisoner was committed for trial within forty days before the said date, in which event he must re-elect not later than ten days before the day fixed for the next sitting of the court at which trials by jury can be had.

The purpose was to prevent a man waiting until he gets to his court where he was indicted, and finding out whether any true bill would be found, and if there was a true bill found against him, withdrawing his option and re-electing. It is only the last proviso that is being made inapplicable. That is the one that was added last year. So the proviso that prevents a man within thirty days of the sitting of the court where he might be tried by jury altering his election will not in future apply to the county of York, and he will be entitled to alter his election up to the holding of the court. The proviso was made to facilitate the administration of justice, but it appears that in one particular district it did not operate to produce that result. As I have said, in deference to this authoritative expression of opinion and the desire of the Attorney General and the law officers of the province, it did not seem to us there could be any objection to meeting their request.

Mr. McKENZIE: I have no particular objection to limiting one's power to go before a county court judge, because we are not by so doing depriving any one of his right to trial by jury, but I would hesitate to throw any obstacles in the way of a man's electing to be tried by jury at any stage.

Mr. DOHERTY: This imposes no obstacles to his having trial by jury. What we are doing now is giving the prisoner greater liberty, because we are withdrawing the restriction which prevented his re-electing within thirty days of the coming on of the court. The prisoner in York has really a wider liberty than prisoners elsewhere.

Section agreed to.

On section 16—Attorney General of Quebec given power to apply for change of venue as well as accused when no criminal terms in district where accused is.

[Mr. Doherty.]

Mr. McKENZIE: I do not know whether there are any Quebec lawyers here to-night, but in the province from which I come we are very strongly opposed to a change of venue in a criminal court case.

Mr. DOHERTY: I might explain the situation, which is perhaps a special one. I might say that this is being done at the request of the Attorney General of the province of Quebec. There provision is made for the holding of the term of the Court of King's Bench, criminal assizes, in each of the rural districts of the province, and it happens in numerous instances, because we are a very virtuous province, that when the time comes around in a district to hold a criminal term there is perhaps only one criminal, and that may be the case in three or four districts. Under the law as it stands, the Attorney General has no option but to involve himself in all the expense of summoning juries, and all that goes with it, to hold a criminal term at the chief town of that district to try that one man. The same thing might happen in two or three other districts, where, if there was only one prisoner, each man would have a court unto himself. The Attorney General has represented, and I think the good sense of it must appeal to everybody, that under those circumstances he should have power to transfer these cases to some one district where the trial would be held, so that one court might dispose of a reasonable number of cases. It would relieve the province of very heavy expense to no purpose, and it would also relieve the prisoner from being exposed to being kept in gaol for a long time waiting for his term in his own particular district, because naturally under these conditions terms are not held very frequently in such districts. On the one hand, it reduces the expense to the province, and on the other, it affords more speedy opportunity for trial of the accused, which to a man being held in gaol is a very important thing.

Mr. STEIN: Does not the minister think it would be an economy to do away with jury trial in petty cases of theft for a few dollars? I understand that the accused often chooses trial by jury in order to gain time, and with a chance perhaps of seeing witnesses disappear or die and the evidence vanish, and then when the time comes to undergo trial before jury he chooses a trial before a magistrate. I think to do away with trial by jury in petty cases of this kind would save a great deal of money to the province and even to the Dominion.

Mr. DOHERTY: One would want to go slowly in the face of such a proposal as to deprive a British subject of his right to trial by jury. I think, however, my hon. friend is mistaken in saying that people are entitled to trial by jury for thefts of very trifling sums. I do not know just what the amount is—

Mr. PROULX: Ten dollars.

Mr. DOHERTY: Yes. As to the abuse which the hon. member complains of, of a prisoner making option for a trial by jury to gain delay, and then withdrawing that option, by the provision of last year which I have just read, and which has been withdrawn from operation in the county of York—it remains in operation in the province of Quebec—the privilege of re-electing must be exercised at least forty days before the jury trials commence. So the prisoner is confined to a very short period within which he can exercise the privilege of re-election. If he has elected for trial by jury, he must in a limited time alter his choice, or adhere to his choice of trial by jury. I should be glad to consider, when we have lots of time to give to it, whether there ought to be further restrictions on trial by jury, but I should not like to decide hastily this evening to cut off a man's recourse to trial by jury.

Mr. McKENZIE: I am glad to hear from the minister that the great province from which he comes is so free from crime of any kind, but I am shocked to recall the fact that yesterday—I think it was yesterday—he was very severely brought to task for arresting two persons who were trying to escape a sentence of twenyt-five years for some extraordinary crime. I am rather disposed to think now that the men should have been left at large. It was a mistake.

Mr. DOHERTY: They are among the exceptions that prove the rule in our province.

Mr. McKENZIE: There is another thing. Trivial criminal offences are always bailable, and the argument which the minister puts forward that offenders might be awaiting trial for a long time is of course answered by the fact that they can always get bail and be at large until a convenient time comes for trial. There is a provision in the code that if it is represented to a judge or the Attorney General that a man cannot obtain a fair trial in the county in which he has been arrested and is awaiting trial, if it is shown that there is danger that either the Crown or the prisoner will not have a fair show, there can be a change of venue to be named by the judge with the advice of the Attorney General. The code also provides that the judge who changes the venue must provide for taking the witnesses of the defence to the more remote place, if it is far from the place in which he is arrested and it is more expensive to the prisoner to take his witnesses there. There must be provision for his expenses in getting his witnesses to that place. I do not notice anything in the law which the minister is putting into effect to-night to provide for a case of that kind. If a man is taken from the place where he should be tried to some other place he may not be able to pay for his witnesses, if he is a poor man; and if he is to be switched around, there must be provision for his witnesses' fees.

Mr. DOHERTY: My hon. friend will observe that the sections empowers the court to order a change of venue " in the manner hereinbefore provided," and the manner "hereinbefore provided" for changing the venue is that the order shall be made upon such conditions as to the payment of any additional expenses as the court or judge thinks proper to prescribe. So that in this case where it is decided "by competent authority" that a change is desirable, the accused will have the same protection which he has in the case where the change of venue results from apprehension that there will not be a fair trail in the district in which the accused is arrested.

Mr. McKENZIE: I have a strong objection to any change of venue except for certain reasons. A man is living in some town in the province of Quebec, say, where he has been a carpenter, or blacksmith, or merchant. He has been there for thirty years and every one knows him. Possibly he is well and favourably known. Now, the doctrine of trial by jury is that the criminal will always get the benefit of his reputation, whatever it may be. He may have sinned against the law and fallen short in many ways. But the jury, who know him, notwithstanding any hard-and-fast evidence that may be brought against him, cannot help giving him the benefit of his life's reputation. If you take him away from that place where he was brought up, where he has been a merchant perhaps for twenty or thirty years, and put him into a court in a strange part of the province, there is nothing before the jury except the cold facts which are presented in the case, and you are depriving that man of the benefit

of the acquaintances which he may have formed during his lifetime and the good effect he may have created in the community in which he has lived. For that reason, I have always been strongly in favour of the principle of a man being tried in the place in which he has lived, where he is known, and where he is able to obtain the benefit of his reputation, whatever it may be. On the other hand, of course, he may have been a bad man and his reputation in the community might be against him. If that is the case, it is only proper that he should be tried by men who are acquainted with his general reputation. I do not want to press the point further, but I cannot allow this Bill to pass without putting on record my view; I am dead against a change of venue in criminal cases unless it is absolutely necessary for two reasons, first, that the Crown cannot obtain a fair show, and second, that there is such a prejudice against the accused that justice will not likely be done to him.

Section agreed to.

On section 17—appeal to Supreme Court of Canada where judgment conflicts with the judgment of any other Court of Appeal:

Mr. McKENZIE: What does that mean?

Mr. DOHERTY: It has happened that the courts of Appeal of two provinces have pronounced, in each case unanimously, upon the same question arising under the criminal code, in absolutely diametrically contrary senses, and inasmuch as there is no appeal in criminal cases where the judgment of the Court of Appeal is unanimous —there is no appeal to the Supreme Court —there is no method of getting that jurisprudence settled. Now, the purpose of this section is to make it possible to get the jurisprudence settled, and I think the hon. member will realize that it is a highly undesirable condition, if we cannot find a remedy for it, where jurisprudence in courts applying one and the same law of Dominion-wide application, shall be left to differ in different provinces. I may say we have had representations from the judges of the different courts in the different provinces pointing out this anomalous condition of affairs. The remedy that is given provides that in such case hereafter the right of appeal is to the Supreme Court either on the part of the Attorney General or the accused, the purpose being to secure a determination which will settle the jurisprudence in the same sense for the whole of Canada in cases where it happens that courts of final jurisdiction, as the law now stands come to different conclusions upon the same question and under the same law.



Mr. FIELDING: Does the clause refer to the Attorney General of the Dominion or of the province?

Mr. DOHERTY: The Attorney General of the province where the question arises.

Mr. FIELDING: There is nothing to indicate that.

Mr. DOHERTY: Let me point it out.

Mr. FIELDING: Do not point it out; it is all right; let it go.

Mr. DOHERTY: I would point it out.

Mr. FIELDING: I am quite content if the hon. gentleman is satisfied.

Mr. DOHERTY: It will only take a few moments. The parties to the suit are the Attorney General of the province on the one side and the accused on the other. I have no objection to adding a few words to make it clear, but I would understand it to be the Attorney General of the province because it is the Attorney General who is a party to the prosecution.

Mr. FIELDING: I do not ask that it be changed. I will be content with calling my hon. friend's attention to it.

Mr. PROULX: Leave must be asked for in every case?

Mr. DOHERTY: Yes, because the Supreme Court must be satisfied that it is a case where there is a conflict.

Mr. McKENZIE: I think that my hon. friend from Shelburne and Queen's (Mr. Fielding) has raised a reasonable point. It means the Attorney General of the province but it should be made clear because we have nine provinces.

Mr. DOHERTY: We have a saying in our province that "Many things go without saying, but they none the less go better when said." I beg to move that section 19 be amended by inserting after the words "Attorney General," in the 32nd line, the words "of the province."

Amendment agreed to.

Mr. FIELDING: Would the minister say "of any other court of appeal." He means the court of appeal in any other province?

Mr. DOHERTY: Yes.

Mr. FIELDING: That is not stated.

Mr. DOHERTY: As it happens, there is only one Court of Appeal in each province, and it is known as the Court of Appeal. I think the wording should stay as it is. It does not necessarily mean that the court must be in another province, because if it happened that there were two Courts of Appeal in one province the appeal provided for in this clause could be taken.

Mr. FIELDING: Are there such?

Mr. DOHERTY: I do not know of any.

Mr. McKENZIE: Unless they exist in Quebec there are no provinces with two Courts of Appeal.

Mr. DOHERTY: Then "any other Court of Appeal" must necessarily mean a Court of Appeal in some other province. It seems to me that it is better as it is.

Mr. McKENZIE: I think it is better as it is.

Bill reported and amendments concurred in.

Mr. DEPUTY SPEAKER: When shall the said Bill be read a third time?

Mr. DOHERTY: Now.

Mr. PARENT: No.

Mr. DEPUTY SPEAKER: Does the House give its unanimous consent that the Bill be now read a third time?

Mr. PARENT: If it must have the consent of the House, I would say, no.

Mr. DOHERTY: I offer my sincere and warm congratulations to the hon. gentleman upon the exercise of his great power.

Mr. DEPUTY SPEAKER: Next sitting of the House.

On the motion of Rt. Hon. Mr. Doherty the House adjourned at 12.35 a.m., Friday.

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## Friday, June 11, 1920.

The House met at Two o'clock.

### PAPERS TABLED.

Copy of Order in Council dated December 18, 1919, regarding the distribution to the provinces of the sum of $200,000 which was placed at the disposal of the Department of Health—Hon. Mr. Rowell.

Report of the Printing Bureau in French. —Hon. Mr. Sifton.

### QUEBEC AND SAGUENAY RAILWAY—ST. IRENEE.

On the Orders of the Day:

Mr. P. F. CASGRAIN (Charlevoix-Montmorency): Mr. Speaker, I beg to draw the attention of the Government, and particularly of the Minister of Railways and Canals, to a fact which I discovered the other day when I happened to be in my county. I hold in my hand the time table of the Quebec and Saguenay Railway, and I find at page 2 a certain reference to all the special summer resorts along the line of that railway. All of these stations are mentioned except St. Irénée, and I am surprised at this omission.

Mr. SPEAKER: Order. The statement which the hon. member is making is not of such character as ought properly to be brought to the attention of the Government on the Orders of the Day. Only matters of general application, which are of country-wide interest and of urgent importance, can be brought to the notice of the Government on the Orders of the Day, and the hon. member is therefore not in order at the present moment.

Mr. CASGRAIN: I bow to your ruling, Mr. Speaker, but I beg to submit that the matter is one of the utmost urgency by reason of the fact that the time table has already been printed and has been distributed all over the country.

Mr. SPEAKER: It will serve the purpose of the hon. member equally well if he will communicate with the Minister of Railways.

### WORK ON LACHINE CANAL.

On the Orders of the Day:

Mr. J. A. LEDUC (Westmount-St. Henry): I should like to know from the Minister of Public Works whether it is the intention of his department to continue the work already started on the Lachine canal in connection with the syphons that convey the water from the little river St. Pierre. This work has already been commenced and I should be glad if the minister would say whether he intends to proceed with it this summer. Furthermore, I would ask if the Government will pay part of the damages caused by the flood last spring in my constituency.

Mr. SPEAKER: Questions of this character should be submitted when the Estimates of the department are under consideration. They are not of sufficient general public importance to warrant their being

raised on the Orders of the Day. However important they may be to those directly concerned, they are of purely local application.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): In the meantime, Mr. Speaker, I shall direct the attention of the minister to what my hon. friend has stated.

## TORONTO POSTAL EMPLOYEES.

### THREATENED STRIKE OF LETTER CARRIERS.

On the Orders of the Day:

Mr. CHARLES SHEARD (South Toronto): I desire to ask whether the Government has received any communication in regard to a threatened strike amongst the postal clerks and letter carriers in the city of Toronto and other places and, if so what answer they have made or intend to make in reply.

Mr. McMASTER: This is purely local.

Mr. LAPOINTE: It is a strike in Toronto.

Mr. ARCHAMBAULT: Purely local.

Mr. CASGRAIN: Write to the Post Office Department.

Mr. SPEAKER: The question submitted by the hon. member for South Toronto (Mr. Sheard) has general application to letter carriers throughout the country.

Mr. BUREAU: Toronto is just a village.

Hon. N. W. ROWELL (President of the Privy Council): While neither the Post Office Department nor the Government has recently received any direct communication from the letter carriers themselves in reference to the matter, communications have been received from other bodies in the city of Toronto. So far as one can judge from those communications and from the newspaper despatches, the complaints appear to be based on three grounds: First, there is some complaint about the present Bill, and I am at a loss to understand what it can be, because the Bill which was passed through this House and which went to the Senate is wholly in the interests of the Civil Service employees and carries a classification which will increase salaries, dating back to the 1st of April, 1919, instead of from the 1st of April, 1920. If there is any objection to that Bill and the employees do not wish it, some millions of money would be saved to the country if the measure were not put through. The second complaint is that the Government changed the classification. The Government has not of its own motion made any change whatever in the classification pertaining to the postal service. In so far as there have been any changes, they have been due to appeals made by certain classes of the postal employees against the classification as approved by Parliament. These appeals have been heard by the Board of Hearing, upon which the civil servants are themselves represented, and among their representatives is one of the trusted employees of the Post Office Department. These appeals have been heard by the Board of Hearing and subsequently passed upon by the Civil Service Commission, and the Government has in every case approved the decision arrived at. So that if there have been any changes they have been made on the initiative of the postal employees themselves and have been recommended by the Board of Hearing, on which, as I say, the civil servants are represented. The third complaint seems to be in reference to the compensation of letter carriers. They seem to think that there should be some better compensation than that which is now provided, and I purpose giving to the House a statement of what the letter carriers will receive this year on the basis of the Bill which passed through Parliament the other day. Under the old classification the range of salaries for letter carriers ran from $626 to $939, plus allowance in respect of clothing and transportation. The new classification is $780 to 1,260, plus bonus, because the classification itself recommends that the bonus should be added. There is also allowance for clothing and transportation. Under the new classification any letter carrier who was at the maximum of his class on the 1st April, 1919, will this year receive the following pay and allowance: If he is the head of a household he will receive salary and bonus, $1,560 plus allowance, covering clothing, boots and transprotation. So that the House may appreciate what that means I will point out that each letter carrier receives a new serge suit every year, that is coat and trousers; a pair of cloth trousers every year, a cloth coat every second year, a new overcoat every second year, and two pairs of boots every year.

Mr. BUREAU: Do the boots he gets cost nine dollars a pair?

Mr. ROWELL: No, $8 a pair. And he receives many other articles, such as a cloth cap every second year, a felt hat every second year, a fur cap every four years, etc. He has street car transportation to and from work and at his work. These allow-

ances for clothing and transportation to and from work constitute a substantial addition to his salary, which estimated at what they would cost him a day if he had to buy them himself would, I understand, increase his salary by over $100 per year, some would say at least $150.

If a single man he will receive $1,322 salary and bonus plus the same allowance in respect of clothing, boots and transportation.

If the letter carrier has been in receipt of the maximum under the old classification for five years, and is the head of a household, his salary will be $1,656, plus allowance for clothing, boots and transportation, which considering such allowances would make his pay over 80 cents per hour's work If a single man, $1,422 plus allowance for clothing, boots and transportation.

If under the new classification he was at the minimum of his class on the first of April, 1919, and if he is the head of a household, he will receive $1,320 in salary and bonus plus allowance for clothing, boots and transportation. If a single man he will get $1,152 plus allowance for clothing, boots and transportation. These letter carriers. have (1) a forty-four-hour week (2) permanency of employment; (3) sick leave with pay and (4) three weeks holidays each year without loss of pay.

Mr. BUREAU: May I ask the hon. the President of the Privy Council if this is merely giving an answer to the question asked by the hon. member for South Toronto (Mr. Sheard)?

Mr. ROWELL: It is and my hon. friend will see the relevancy of it in a minute.

Mr. BUREAU: Have we to wait as long as this to see the relevancy of it?

Mr. SPEAKER: I should point out to the House that when a question is submitted to the Government the practice has always been that the Government should have latitude in giving a reply.

Mr. LAPOINTE: In this case it is longitude.

Mr. SPEAKER: I must say that the character of the reply that is being made by the President of the Privy Council is in the nature of making out a case and it is questionable whether, if that practice were carried out to any wide extent, we would be able to proceed with the business of the House expeditiously so much time would be taken up with the answers of ministers of the Crown. But I do not feel that I would be justified in curbing the minister in making his reply in view of the practice already alluded to.

Mr. FIELDING: Has the hon. gentleman permission to occupy so much of the time of the House at this stage?

Mr. ROWELL: Without having the particulars before it the House would not be able to appreciate the statement of the policy of the Government. I will conclude by stating the policy of the Government in reference to the matter.

Mr. FIELDING: The Government's policy can be declared in some other form than in reply to a question on the Orders of the Day.

Mr. ROWELL: This is a statement of what the Government intends to do in connection with the proposed strike. The conclusion of the Government based upon reports from the Civil Service Commission and the Labour Department is that, having regard to the character of the work and the conditions of employment, the letter carriers are paid at a higher rate than any others doing a similar character of work under similar conditions in this country and if, in view of this fact, the letter carriers go on strike, their action will be treated as resignation of their positions, their places will be filled, and they will not be reinstated.

Some hon. MEMBERS: Hear, hear.

## THE FRENCH TREATY.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX (Maisonneuve): I would like to ask the right hon. the Minister of Trade and Commerce (Sir George Foster) if he is aware that the French Treaty is practically denounced and will terminate the 16th of this month. Is he aware that the French Government is ready to extend the provisions of the Treaty until the revision of the tariff has taken place?

Rt. Hon. SIR GEORGE FOSTER (Minister of Trade and Commerce): I am aware that notice has been given for the termination of the Treaty. The term of this notice expires on the 19th of this month, and the Treaty provisions will then become null and void.

An hon. MEMBER: By whom was the notice given?

Sir GEORGE FOSTER: Given by the Canadian Government in respect of the three months' notice. The House should know

that the French Government gave notice of the denunciation of the Treaty itself some fifteen months ago. After that an arrangement was made at the instance of the Canadian Government by which the Treaty should go on temporarily subject to three months' notice by either party to the arrangement. In view of the possible denunciation of the Treaty on three months' notice, it was not possible to carry on business because more time is required in the usual making of contracts and arrangements for the interchange of produce between the two countries. In view of the contemplated tariff legislation of this Parliament the Canadian Government decided to give notice of termination which, as I have said, will expire on the 19th of this month. The French Government has been informed that the Canadian Government is ready to take up negotiations at any time circumstances are opportune therefor.

## IMMIGRATION ACT AMENDMENT—REJECTION OF BILL BY SENATE.

On the Orders of the Day:

Mr. ERNEST LAPOINTE (Quebec East): May I ask whether it is the intention of the Government to introduce legislation in this House for the purpose of repealing the most drastic amendments to the Immigration Act which were made last session during the time of the Winnipeg strike?

Sir ROBERT BORDEN: My hon. friend knows that a Bill was introduced into the Senate which has not met with very good fortune there, I believe. Is that the legislation to which my hon. friend refers?

Mr. LAPOINTE: Yes.

Sir ROBERT BORDEN: I am under the impression that where a Bill has been dealt with in Parliament and disposed of by the determination of Parliament, it is not competent under the Rules, to raise the question again during the same session.

## BOARD OF COMMERCE.

Mr. I. E. PEDLOW (South Renfrew): I would like to ask the right hon. the Minister of Trade and Commerce (Sir George Foster) a question. I notice the report laid on the table of the House by the Board of Commerce is in some respects a fifty-fifty report, rather a majority and a minority report. One section of the report suggests the advisability of placing in the report the correspondence that ensued between the chairman of the commission and the Minister of Trade and Commerce. That has not been included in the report. I want to ask the minister if he has, in view of the report laid on the table of the House, decided to place that correspondence before the House. I would like to ask also if it is the intention of the Government, in view of the ultimatum delivered by one of the commissioners, to allow the Board of Commerce to cease functioning from the present time onward.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): In respect to the recommendation contained in the report as to legislation dealing with the abolition of control by the Civil Service Commission, there has not been a sufficient opportunity since the report was received to give full consideration to what is suggested. When a conclusion is reached on this question it will of course be announced. As to the other matter which arose during my absence, my right hon. friend the Minister of Trade and Commerce (Sir George Foster) will reply to the hon. gentleman's question.

Rt. Hon. Sir GEORGE FOSTER: In so far as the correspondence is concerned, the really important correspondence has been laid on the table of the House. There is other correspondence which is more or less subsidiary—a good deal of it much less subsidiary—which is now under consideration as to what portion of it, if any, will be brought down.

## LIST OF GRAND TRUNK SHAREHOLDERS.

On the Orders of the Day:

Mr. JOSEPH ARCHAMBAULT (Chambly-Vercheres): Might I inquire from the Government if they have completely abandoned the idea of laying on the Table the list of the Grand Trunk shareholders so ordered by the House about eight months ago, and promised about eight times since, which order has never been complied with?

Mr. J. D. REID (Minister of Railways): I have the list of the Canadian shareholders, but the hon. member, I think, wants the list of the shareholders on the other side. I understand it would take seven or eight months—some months at least—to make the list in accordance with the order of the House, so that it will be a long time before the list will be ready to submit.

Mr. ARCHAMBAULT: If I remember correctly the nature of the order it was for the list of the shareholders on the books

of the company on the 3rd October last. Surely it would not take seven or eight months to copy that list; a typist would copy it within five hours. Eight months have elapsed since this list was ordered.

Mr. SPEAKER: Order. The question of the hon. member is perfectly proper but he may not make an argument now as to why the order ought to be complied with. He can only do that at another stage of the proceedings of the House.

Mr. ARCHAMBAULT: I bow to your ruling, Mr. Speaker, but I am not trying to make an argument, I am simply answering the Minister of Railways.

Mr. SPEAKER: The hon. member is not in order in doing that.

## BOARD OF COMMERCE—CORRESPONDENCE.

On the Orders of the Day:

Mr. R. L. RICHARDSON: I intended to make somewhat the same sort of interrogation with regard to the Board of Commerce as my hon. friend the member for Renfrew (Mr. Pedlow). I was going to urge the presentation of the correspondence that is being withheld in order to set at rest some very disturbing rumours with regard to the reasons why—

Mr. ARCHAMBAULT: Question.

Mr. RICHARDSON:—Judge Robson retired from the board.

## CRIMINAL CODE AMENDMENT ACT—THIRD READING.

### DISCUSSION RE RACE TRACK BETTING.

On motion of the Rt. Hon. C. J. Doherty (Minister of Justice) for the third reading of Bill No. 137, to amend the Criminal Code.

Hon. T. W. CROTHERS (West Elgin): Before this Bill receives its third reading I would like to say one or two words respecting it. I was not present last night, or rather early this morning, when the measure was read a second time, and I have a few observations to make with regard to it although I realize that a large number of members—probably the large majority—will not share my views I think that generally speaking gambling in any form is regarded as a serious evil; and I want to protest—though I may have no one to support me—against this Parliament endorsing any form of gambling. I cannot for the life of me understand why gambling a few miles out from the city of Ottawa should be legalized by Parliament and regarded as highly respectable while gambling on Sparks street is pronounced illegal and disreputable.

Mr. J. H. BURNHAM: Will the hon. member please define gambling?

Mr. CROTHERS: Oh, it is not necessary to define gambling. My hon. friend knows what gambling is.

Mr. BUREAU: That is a bad insinuation.

Mr. CROTHERS: Everybody knows that the provisions of this Bill, No. 137, recognize and endorse a form of gambling. I am not objecting to individuals, if they so desire, indulging in betting—it would be impracticable to attempt to stop it, and I would not make any such attempt. I do not claim to be specially qualified to advocate "uplifting." But I understand that every State in the United States has made this species of gambling illegal, with the exception of two—Kentucky and one other. Michigan has prohibited it entirely; and those who desire to take part in this form of gambling instead of doing so in that State cross from Detroit to Windsor and give us the benefit of their presence there during a race meet. I simply want to protest against this Parliament recognizing and endorsing what is admitted by everybody to be a great evil. The only reason I have ever heard advanced why it should be encouraged is for the production of thoroughbred horses in Canada.

Mr. BUREAU: Hear, hear, that is all right.

Mr. CROTHERS: Well, I have read the opinions of men who are experts in that line who deny that there is anything in this contention whatever. How is it that draft horses are produced in this country at a profit? Because there is a demand for them. And if there be any demand for roadsters in this country, breeders of thoroughbreds will find a market just as do the breeders of draft horses. I merely want to express my protest against this Parliament endorsing, recognizing, and legalizing this special form of gambling.

Mr. A. R. McMASTER (Brome): I would not like the member who has just taken his seat to feel that in the views which he has expressed he is alone in this House. I believe in fair play to all.

Mr. LAPOINTE: Freedom.

Mr. McMASTER: Occasionally when I have been in the police court—

Some hon. MEMBERS: Oh, oh.

Mr. McMASTER: —in a professional capacity, which, Mr. Speaker, has not been very often, I have seen a large number of very hard looking Orientals brought before the court because they have played fan-tan.

An hon. MEMBER: What is that?

Mr. McMASTER: Fan-tan is a game of chance, I understand. I am not an adept in it myself but it is a gambling game.

Mr. BUREAU: What about auction whist?

An hon. MEMBER: How does it work?

Mr. McMASTER: I cannot explain that myself, because I am not conversant with the details of the game; I will leave it to other members to fill in the details. I do not wish to detain the House unduly but I would say this: For Parliament to enact legislation which means that when certain classes of the community gamble they are drawn befor the court and fined while other members of the community may enjoy the benefits of fresh air and of gambling at the same time, is not British, is not Canadian, is not fair, and it should not be done.

Now, is it correct that the breeding of fine horses is only possible in conjunction with gambling? I have always understood that the stock-raising business was a respectable one—I believe there are members of this House who agree thoroughly with me in that, and I do not think the success of that business depends on gambling. If horse-racing requires to have gambling as a concomitant we should be able to get on without it. But I do not say that because you eliminate gambling you of necessity do away with horse racing. There are some other people in Canada who are prepared to race their horses for the fun of the thing.

Mr. WHITE (Victoria): Did you ever own a race-horse?

Mr. McMASTER: I never owned a race-horse, and judging by the class of people whom I see coming from race meetings, I have no desire to own race-horses, nor to associate with those people.

Some hon. MEMBERS: Oh, oh.

Mr. McMASTER: My hon. friends say "Oh, oh." Do they imply by that tone of voice that they agree with me? I say that race tracks usually draw the riff-raff and undesirable element of our own population and of outsiders.

Mr. BALLANTYNE: Not at all.

[Mr. McMaster.]

Mr. McMASTER: Horse race tracks are also frequented by a very desirable class of people no doubt. I conclude my remarks by saying that to make a criminal offence of certain types of gambling, and to recognize other types of gambling, is not fair and such discrimination should not be continued. I wish to raise my feeble voice in support of the words uttered by the hon. member for Elgin (Mr. Crothers).

Mr. ARCHAMBAULT: Is my hon. friend of the opinion that speculation on margin on the stock exchange is gambling?

Mr. McMASTER: Yes, decidedly so, and a very evil form of gambling. In fact, in such gambling you do not have the benefit of the fresh air and the pleasure of seeing the horses run, and as a rule you lose your money in larger sums and with greater certainty.

Mr. CLARK (Red Deer): When I opened my morning paper to-day I noticed with great pleasure that the right hon. the Prime Minister, when receiving a certain deputation yesterday, said that the Government had gone as far as they could along these lines. While I endorse the remarks of my two hon. friends in regard to discrimination, I cannot do so from the lofty moral altitude which they seem to occupy. Looking at this matter philosophically, I doubt very much whether it is possible to describe in such drastic terms an evil which is so widespread in human nature. A boy the moment he can own a marble risks it against another boy's marble, and he is a gambler to that extent. If he is a better shot, he wins a marble from the other boy. There is a certain element of skill in the contest but no general good accrues to the community. I am told that the society ladies of this capital and of London play a game called auction bridge for high stakes. I never was present on such occasions and do not know anything about it from personal knowledge, any more than I know anything of the game, but I am told such things go on. Perhaps there are some hon. members here who can either contradict or confirm this information. The other day on Epsom Downs—where I am sorry to say I have been—

Some hon. MEMBERS: Oh, oh.

Mr. CLARK (Red Deer): I am glad to say I have been—

Some hon. MEMBERS: Hear, hear.

Mr. CLARK (Red Deer): —His Majesty the King accompanied by the Queen and

fifty or sixty others went to see the Derby, and I have no doubt, if I were in His Majesty's secrets, that he had a little flutter on the race. But, Sir, I come nearer home. I have not the least doubt that many of the elders who waited upon the Prime Minister yesterday are interested in real estate. I know that in the little town nearest my farm all the leading men in the churches are real estate agents, and I have been long enough in Canada to know that something a good deal like gambling goes on in real estate offices. Then there are places called "stock exchanges" and "wheat pits,"—gambling goes on there too.

Now, from the moral point of view I want to say to my hon. friend from Brome (Mr. McMaster) that the people who make money in any of these spheres of activity might just as reasonably be described as "riff-raff" as the somewhat tough but nevertheless very often human beings who frequent race tracks; and with due deference to our common human nature—which in the case of any individual among us has its faults, however well we may succeed in hiding them—I think it would be well for us not to use such strong language, and to take the method of the Creator by going slowly in our attempts to improve human beings according to our narrow outlook. After all the world is inhabited by a large number of different people. I am not now playing the role of a preacher,—

Mr. LAPOINTE: Quite the opposite.

Mr. CLARK (Red Deer): I am as a legislator talking of what it is possible for Governments and Parliaments to do; and the distinction between Governments and Parliaments and preachers is, that while preachers have the high and unapproachable role of improving human beings according to their highest ideals which is their undoubted province and duty, Governments and Parliaments have to do with all classes and conditions of men, and have to harmonize one portion of society with the other. They have perhaps the much more difficult task, and therefore they ought to go cautiously in the methods they pursue for the improvement of society. That is my view upon this question. I rose, however, merely for the purpose of endorsing what I think is the sound view, that we should not discriminate. I do not know that it will impress my hon. friend the Minister of Justice (Mr. Doherty), but I am sure he would shrink at the idea of having to regulate rich companies or rich individuals, or even boys playing marbles, although he is found in the apparently congenial sphere of activity of curbing the old-fashioned sport of horse-racing. I think it would be just as well to leave that sport alone.

Mr. NICHOLSON (Algoma): I desire to put myself on record as favouring the position taken by the hon. members for West Elgin (Mr. Crothers) and Brome (Mr. McMaster). I hold that it is out of harmony for this Parliament to enact legislation endorsing gambling in any form. If we must endorse it let us treat all gamblers alike, let us not punish one man and allow the other to go free. I am not going to follow the argument of my hon. friend from Red Deer (Mr. Clark) any further than to say that when he classes boys shooting marbles with men betting on horse racing he is going a long distance to find an argument. Boys throwing marbles are engaging in a contest of skill, be it ever so primitive, just the same as two men shooting at a target. But in betting on a horse race we are doing practically the same as if we sat down to a game of poker or fan-tan. I desire to register my protest, in the first place, against this Parliament endorsing gambling; and in the second place, against any discrimination if gambling is to be endorsed at all.

Mr. McGIBBON (Muskoka): I would like to endorse the sentiments of the hon. member for Red Deer (Mr. Clark). On many occasions I have in this House opposed restricting the liberties and the privileges of the people, and I was glad to read in this morning's paper that the Prime Minister had had the courage to tell a deputation which waited upon him yesterday that he and his Government were not going to pass any further legislation restricting race track betting. I think our people in all classes of society are quite capable of looking after their own morals. Whether you describe them as high or low, or in the words of the hon. member for Brome describe them as "the riff-raff of the country" — which expression I do not agree with—I think they are entitled to exercise their liberties as British subjects in this country—

Some hon. MEMBERS: Canadians.

Mr. McGIBBON (Muskoka)—and they are entitled to spend their money in the way that gives them most pleasure. I am opposed to any further restrictions being placed upon the people of this country.

Mr. BUREAU: Hear, hear.

Mr. McGIBBON (Muskoka): I think they are intelligent enough and honest enough

to conduct themselves as good free British citizens. If they do that, I think this House and the country should not ask anything further.

Mr. EDMOND PROULX (Prescott): Mr. Speaker, Parliament settled about twelve years ago that race track gambling should not be done away with in this country. For some years afterwards there was quite an abuse of gambling at certain race tracks in this country, especially in the province of Ontario. Several of the states on the other side of the line prohibited gambling at race tracks, and in consequence these American race track operators came over to Canada and established race tracks at Fort Erie, Windsor, and other places. These were not genuine race tracks, but simply tracks for making money for the operators. I believe this legislation will have the effect of curbing this evil, and will tend to make racing a legitimate sport instead of a mere money-making venture. I fully endorse the principle of this Bill. If you are not going to have pari-mutuels, but are going to allow people full liberty to bet, the gambling evil will continue and increase, because so long as New York, Michigan, and other states prohibit race track gambling, the gamblers from the United States will come over to Canada. I think the House should adopt this Bill. The consensus of opinion in this country seems to be against doing away with racing altogether. Horse breeders maintain that it is necessary for the breeding of thoroughbred horses. I do not know whether they are right or not. That was a much-disputed point when the question was raised in this House twelve years ago. I think my hon. friend from South Ontario (Mr. Smith) would be in favour of racing, and would be of opinion that it improves the breed of horses. He knows more about it than I do; I am not a horse breeder myself. I condemn the race track gambling evil, and I will do whatever is in my power to curb it, and as I think this Bill will have the effect of curbing it, I shall support it.

Mr. F. S. SCOTT (South Waterloo): Mr. Speaker, I think this is a move in the right direction. The hon. member for West Elgin (Mr. Crothers) has stated that in the United States the great majority of the states have prohibited race track gambling, and I believe that statement is correct. Nevertheless, it is a fact that gambling at race tracks goes on to a very large extent in practically all the states of the Union. The fact is that gambling at race tracks in the United States is tolerated. An effort is made by this legislation to bring race track gambling under some sort of control, and from what we have seen in the United States I believe that is a move in the right direction. It is perfectly true that gambling at race tracks in the state of Michigan, for instance, has been stopped, but, nevertheless it is a fact that gambling at race tracks in that state is carried on week after week, and it seems to me that legislation along the lines proposed by this Bill is what we need in this Dominion in order to put the business on a proper basis.

While I do not bet at races myself, I confess that there is no sport I enjoy so thoroughly as a race meet, both running and trotting meets. I think it is the finest sport in the world, and should be encouraged in every country. I cannot agree with some speakers that it is a sin or something very wrong to place a bet on a horse race.

Mr. BUREAU: A virtuous sin.

Mr. SCOTT: An owner who enters his horse for a race pays his entry fee, say five per cent. If he wins the purse, he receives fifty per cent of the purse money. In other words, he bets one to ten that his horse is going to win. Now it is a well-known fact that the men who engage in horse racing, even if they are rich, cannot maintain stables on the purses that are given, and I cannot see anything wrong in the owner placing an additional bet through the machines or the bookmakers and in that way increasing his winnings. I should like to emphasize that point. I do not see any difference between a man paying an entry fee to win a purse and the man who places a bet on an entry which he may have. The great criticism that has been made of this sport is due to the abuses that have crept into the conducting of it, and I think that to regulate this sport, as this legislation proposes to regulate it, is a step in the right direction. It may be that the percentages that have been struck are not quite right, but after we have had experience of them we can govern ourselves accordingly. I cannot but believe that if in this country, just as in Great Britain, we have horse racing cleanly conducted, it will work to the advantage and betterment of our people. I am strongly of the opinion that this legislation is a move in the right direction.

Mr. J. W. EDWARDS (Frontenac): Mr. Speaker, I have very little sympathy with those who wax indignant about restrictions of their personal liberty I think we have heard too much along that line in this House. We are here as representatives of

the people to make laws for this country, and laws are restrictions. You would think to hear some people talk that we ought to have everything wide open and let everybody do as he sees fit, regardless of whether it is in his own interest or in the public interest to do so. No one enjoys watching a horse race more than I do. I have not a word to say against the racing of horses, but I do say that horse racing has been carried on in the province of Ontario, at all events, to an extent which has been detrimental to the general welfare of the people of the province. Just so soon as the state of Michigan and the other states on the other side of the line stopped race track gambling, the operators come over into the county of Essex and established race tracks there, and it was not very long before it became evident that those who were conducting the sport were making a mint of money out of it. Then restrictions were imposed as to the length of time racing could be conducted on one track continuously. The operators got over that difficulty by arranging for another track. They now have two or three tracks at Windsor and they carry on race meets there week after week, and according to the representations which have been made, and which cannot be disputed, the operators of these race meets take in millions and millions of dollars. I believe it does any person good to take a holiday once in a while, but it is a different thing to spend week after week at race meets. I maintain that no man should have personal liberty to the extent of being allowed to spend three or four weeks or a month and a half of his time in following up racing in that way.

It is a waste of his time, and he has no right to be allowed to waste his time in that way. What are we doing by this Bill? This Bill says, in effect, to the promoters of or those who own and operate a race track: It is all right for you to carry on your racing, but you have been taking too much of the money for yourselves; we have no objection to your carrying on betting operations, but we think you should not take any more than 7 per cent if the amount of the stake is under $20,000, and if the people who are patronizing the race course put up $30,000, you should not take any more than 6 per cent. That is to say, in the past a person who has ventured a bet on a race has been up against this, that those who are running the race track have been taking too large a percentage of the money. This Parliament steps in and says: We do not think that is fair, and we shall arrange this matter so that a person who makes a bet will get a larger percentage of the money staked on a race. That can mean only one thing; it means simply that this Parliament is saying to the general public: We believe this is a good thing for you to have; we think the promoters have been taking too much money to themselves, and we are going to arrange the matter by legislation, so that you will have a better chance of winning on the money you put up. That is encouraging more people to bet money. Figures have in the past been placed before us showing that millions of dollars have been made by persons conducting these race tracks in Ontario, and those millions have come out of the pockets of the people. I know you cannot stop human beings from taking a chance, because that is inherent in every person from childhood on through life. But when we place ourselves on record, as we are doing in this Bill, as legitimatising gambling, as saying that we believe that gambling at race tracks is a proper thing, but that we think the percentage allowed to the promoters of race tracks should be cut down and the amount allowed to the man who puts up the bet increased, we are taking a course which I do not believe is a proper one for us to take.

It has been said that race track gambling is necessary in order to encourage the breeding of horses of a certain class in this country. I do not believe that is an argument that has any ground whatever. That argument is put forward by men who are interested in racing for one reason only, namely, to make easy money and to make it in large quantities at these race meets.

I am opposed to recognition by this Parliament of the principle of legitimatising gambling at race tracks, because I think as they have been conducted for the length of time they have been allowed to be carried on in this country in the past, they have had a very bad effect on the general public of the Dominion of Canada.

Mr. JACQUES BUREAU (Three Rivers and St. Maurice): Mr. Speaker, the hon. member for Frontenac (Mr. Edwards) prefaced his remarks by saying that he had no use for men who remarked that we were putting too many restrictions on people through legislation, etc. If we were to have in Canada or anywhere else only those things and those men for whom my hon. friend has any use, there would be ample room for them to move around, because there would be practically no one left. From

his remarks, he has apparently use for very few things, and I cannot agree with him as regards those things for which he has use.

Be that as it may, there are two classes of men in this country. First, there are men who love sport, who want their liberty and to be able to use their time three days a week or, to use the words of my hon. friend, to spend their time as they see fit for a week or two weeks. I do not see why we should put any limitations on the way a man may spend his time if he does not spend it in committting crimes, illegalities or nuisances. Who is going to prevent me from going to a club in the Laurentian mountains and sitting there—although the apparent purpose is fishing—and smoking for two or three weeks if I choose to do so, as I would be doing a perfectly legitimate thing?

Mr. PROULX: The hon. member would not be doing any good for the country.

Mr. BUREAU: I might be doing just as much good as the hon. member for Prescott, if he was sitting here going full speed.

Mr. BELAND: I think my hon. friend would be doing a good thing for the country by taking a rest, because then he would be fresher for next session.

Mr. BUREAU: The newspapers have made an announcement that compels me to disclaim any freshness in any way you may interpret the meaning of that word. There are people who live in this country who claim the right to enjoy liberties as long as they are not committing crimes, nuisances or illegalities. Then there are others who think, by preventing men from following their inclinations and tastes, they are doing good for the country. I say: No. The hon. member for Frontenac (Mr. Edwards) says that he enjoys a race. Very few men do not enjoy a race, but how are you going to have a race if you do not have some inducement to people to breed horses and bring them there? The hon. member for Brome (Mr. McMaster), following the argument of the hon. member for Frontenac, says that he does not believe in racing as an inducement to improve the breed of horses. It is the only inducement. Why do we have exhibitions, or fairs, as we call them, in every county. To get all the breeders together. Those breeders compare notes and endeavour to improve the breed. Those fairs, bring around people who play with three shells—I do not know what the game is— the same as people do on race tracks. Nevertheless, you see at these fairs the best men from the farming communities.

Mr. McMASTER: Not "rigging the thimble."

Mr. BUREAU: People get into a corner and "run the thimble" or the roulette wheel. A fair is a place where everybody in the community will go in order to get some fresh air, and at the same time to educate themselves and, perhaps, have a little fun. They are entitled to that. If I were to take any exception to this law, I would say that it is too restrictive, and I am not ashamed to say that. At race tracks you meet as good people as you will come across, perhaps not in the police court, but in the Superior Court or in the court of King's Bench. I have never degraded nor contaminated myself by attending a good horse race; and if I lost a little money before I went home, I did not worry over that and I do not think anybody suffered on account of it. As regards the man who cannnot afford to bet, who is scandalised at the idea of going to a race track, let him stay at home. That is an easy way for him to get out of the difficulty, but why should he deprive his neighbour from a sport which I consider is just as legitimate as boxing, golfing, hockey, baseball or lacrosse?

Mr. McMASTER: It is cruelty to animals.

Mr. BUREAU: Those animals are trained to endure things that other horses are not trained to do. I may be told that it is cruelty to a man to have him box two or three rounds. I contend that that makes him more limber; it makes him a better man, a better citizen. There is an old latin saying: "Mens sana in corpore sano" —"A sound mind in a sound body." These sports contribute towards making sound bodies and sound minds. That is my view on the question.

Mr. LEVI THOMSON (Qu'Appelle): Mr. Speaker, I think it requires only a short time to express one's opinion on this subject. I do not purpose following the discussion which, it seems to me, has in many cases been very wide of the mark. The question is this—are we to decide that a certain thing at one time and under certain circumstances is illegal and an exactly similar thing under other circumstances is all right. I am not going to discuss the question of restriction further than to re-

peat what the hon. member for Frontenac (Mr. Edwards) said, namely, that all laws are restrictions. That does not mean that you have to restrict a man wherever he goes, or that all restrictions are good or all bad. You must use discrimination in the restrictions you put upon people. I fail to see how we can consistently say that certain things are legal and should not be punished by fine or imprisonment if they are done in a certain place but must be punished if done in another place; that it is wrong and sinful, and therefore must be punished by fine or imprisonment for people to put up stakes in a contest of skill and endurance of persons, but that when it comes to a question of skill and endurance of animals, that is perfectly legal. Let us be consistent; let us either allow the holding of stakes and depositing of money in all cases of this kind, or make it illegal in all cases. We are as inconsistent as it is possible for any people to be if we are to allow this in certain things and not in others.

3 p.m.

I have not heard any good argument raised in support of the contention that gambling, if you like to use that term, or the holding of bets, which is practically what we are aiming at here, is necessary at race tracks in order to encourage the breeding of horses. We are told by one gentleman that it is necessary to allow the owners and breeders of horses to bet on a horse race in order that they may make some money. Does the man who bets on a horse race always win?

No less an authority than Sir John A. Macdonald said that there was nothing more uncertain than horse-racing and elections. This question of betting, Mr. Chairman, is exceedingly uncertain and a man who engages in it is as likely to lose as to gain. The chances are ten to one that he will lose more than he gains; and I do not see how are you going to encourage horse-racing and the breeding of horses by this measure. It seems to me that if there is any profit in this business it should be put in the way of those who breed horses. They should hold the stakes. If we are going to pass this legislation, let us be reasonable and confine the holding of stakes to the men who are breeding horses. If you do that you will encourage horse-breeding, but not otherwise. As it is, you leave matters so that the man who is betting is on the average behind, because he must pay his percentage besides taking his chance of losing. I do not think that we can hope to promote the breeding of horses by this means. We should try to be reasonable, and this is certainly not reasonable. This Bill provides that where any person or association becomes a custodian or depository of the stakes the percentage deducted from the total amount deposited shall not exceed certain sums. Where the total amount deposited on a race is $20,000, the percentage is 7 per cent, which means $1,400, and a man is going to be the loser if he is to pay 7 per cent of the money invested. I do not think this will operate to the advantage of horse-breeders.

Rt. Hon. Sir ROBERT BORDEN: This subject has been before Parliament on many occasions within my experience, and I recall particularly a very considerable debate, after inquiry by a committee of the House, which resulted in what was known as the Miller Bill. I remember on the occasion of that discussion that my hon. friend from Jacques Cartier (Mr. Lafortune) made a very interesting and witty speech. Some hon. gentlemen who have spoken in this debate seem to have an entire misapprehension as to the object and purpose of this legislation. It does not recognize anything that has not been recognized for many years. The law upon the statute book as it is at present recognizes the very thing which is supposed to be recognized for the first time by this legislation. It has been on the statute and has been acted upon for fifteen or twenty years at least. Therefore when any hon. gentleman suggests that Parliament is asked to recognize something that was unlawful before, either he has not given due consideration to the subject, or he has not clearly expressed himself; because any such statement is absolutely contrary to the fact. The Government recognized, as was recognized everywhere, that there were some evils which ought to be remedied and which it might be practicable to remedy in respect of betting upon race tracks. We realized that at certain points in Canada near the frontier race meetings had been held too frequently and that large amounts of money had probably been taken out of the country. Further than that, there has been an allegation, whether true or false I do not know, that the betting at some of these places was carried on under not absolutely fair conditions. The Government did take into consideration on the one hand the necessity of restricting that evil as far as possible, and, on the other hand, of presenting to Parliament legislation that would command the assent of both Houses. I suppose that every hon. gentleman in this House will agree that it would be of very

little use for us to bring down to this House a measure that would not probably command the assent of both Houses. If it was undesirable to leave the law as it stood before, without any restriction whatever calculated to diminish the evils to which I have alluded, ordinary common sense would indicate that the Government would have to take into consideration first the character of the existing evils, and then the possibility of cutting them down to a minimum by legislation that would command the assent of both Houses of Parliament. At least, that is the way it struck us, whether our impression with regard to the matter was right or wrong. And what we determined to do was to impose such further restrictions upon the law already existing as would prevent unscrupulous people from coming in from abroad and engaging in this country in the practices I have mentioned. It was stated that vultures came into this country and robbed the young men of their money. Well, then, the purpose of the Minister of Justic in preparing legislation was so to frame it that the evil-doers could not seize their prey, so to legislate that it would not be a paying proposition for them to conduct these meetings as they have been conducted in the past. That was the purpose and object of the legislation, and no other. It is restrictive and not enabling. It was designed by the Government from the standpoint I have already mentioned, and with the sincere desire to minimize as far as possible by legislation the serious evils to which allusion has been made. No one denies that these evils have to some extent existed. For my part, I share the view entertained by my colleague, the Minister of Justice, who has prepared this legislation, that it will do much to remove those evils. You cannot eradicate from human nature a certain innate desire to bet now and then and to indulge in games of chance. This desire exists in every civilized nation, and, for that matter, among uncivilized people too; and I would not be quite sure that some of the gentlemen who have spoken so eloquently this afternoon have not occasionally made a bet upon the result of an election. Well, other people desire sometimes to bet upon a horse-race, and as my hon. friend who has just spoken (Mr. Thomson) has stated, a very eminent authority laid down the dogma in days gone by, that the result is about as uncertain in the case of an election as in the case of a horse-race. I hope that what I have said, and I have endeavoured to put the matter as plainly as I can, will indicate to the House that the purpose which animated the Government in the legislation was entirely in the line of minimizing as far as possible an evil that was recognized and to do so by means that would be fairly certain of attaining success.

[Sir Robert Borden.]

Motion agreed to and Bill read the third time.

## SPECIAL WAR REVENUE ACT, 1915, AMENDMENT.

### EXCISE TAX RESOLUTIONS CONSIDERED IN COMMITTEE OF WAYS AND MEANS.

On motion of Sir Henry Drayton the House went into Committee of Ways and Means (from June 9) to consider the proposed resolution precedent to the amendment of the Special War Revenue Act, 1915, Mr. Boivin in the Chair.

The CHAIRMAN: When the House was last in Committee of Ways and Means, this resolution had been discussed and the Minister of Finance had given notice of certain amendments which it was proposed to move at a later stage. Shall the resolution carry?

Sir HENRY DRAYTON (Minister of Finance): We have already had a pretty fair and full discussion of the principles of the resolution. What I would now suggest is that the resolution be taken up item by item and the items discussed separately.

Resolved, That it is expedient to amend The Special War Revenue Act, 1915, and to provide:—

1. That the following excise taxes be imposed, levied and collected on the total purchase price of the articles hereinafter specified, and on articles of clothing the said tax may be imposed upon the combined selling price of materials and cost of manufacture when sold separately:—

(a) A tax of ten per cent on,—

Boots, shoes, pumps and slippers of any material (not including shoes or appliances made to order for persons having a crippled or deformed foot or ankle) in excess of $9.00 per pair;

Mr. BUREAU: I think there was an amendment as to the price.

Mr. MICHAEL CLARK: Before we proceed with the items in detail, I rise with a great sense of responsibility to ask your leave, Mr. Chairman, to make one or two general observations. Speaking in the presence at least of one member of this House of unrivalled experience in the matter of budgets and questions of this kind, the hon. member for Shelburne and Queen's (Mr. Fielding), I would submit to the members of this committee through you, Sir, that we find ourselves at this moment in a situation almost unprecedented in any British country in regard to budgets.

What is the ordinary procedure in regard to a budget? I claim, in view of the changes, in view of the tremendous alterations that are involved in the resolution, although I shall not trespass at any great length, a little latitude. The method of procedure in regard to the introduction of a budget which, in so far as I know, has been universally followed in all civilized countries, certainly in all British countries, has been that the Government brings down its budget proposals after the most careful consideration not only of the principles of the budget but of the machinery by which these principles are to be given effect to. The facts in regard to the principles, the details and any change in the machinery, are kept absolutely secret until the Budget is laid before Parliament. After they bring these proposals down in that way, the raising of the finances for the running of the country is so vitally important a matter that the government almost uniformly,—I will say uniformly—have taken the position: "Those are our proposals arrived at under the greatest sense of responsibility to raise the finances for the running of the country and by those proposals substantially we stand or fall." I appeal to you, Sir, if that has not been the universal procedure in regard to the Budget.

Why has it been so? What is the reason for it? The reason is this: The secrets are kept and the Government stands or falls by its proposals because it is of vital necessity that the moment the Budget proposals are known the machinery of the Finance Department should be ready to apply them on the one hand and the business of the country should not be nearly upset on the other. That seems to me to be elementary financial history in all British countries. What have we here? I venture to think—the newspapers take this view—that we have had practically a second Budget introduced in the committee stage of these proposals. It is not an alteration in detail; it is an alteration in principle. We have changed on a number of articles from the method of collecting the percentage on the whole price of the article to the American plan of only collecting the percentage on the excess, making an enormous difference in the amount we shall collect on any given article, this being tantamount to a change in the principles of the Budget. This is a very serious state of affairs, and I am bound to say that from my reading of the financial history of the Old Country such a state of affairs would, under ordinary circumstances, require a very drastic remedy and would certainly call, not only for the resignation of the minister who was particularly involved, but for the resignation of the administration as well. I asked the other night what the machinery was for the collection of this tax and my hon. friend the Minister of Finance did not have any answer. He said that he might employ stamps, oblivious apparently of the precedent that is absolute that some of these taxes were already being paid and were being collected in the most slipshod and unprepared manner apparently because the hon. gentleman could give no description of the machinery by which he proposes to collect these taxes. The Government have been unduly firm concerning the title of their taxes under which their administration would have a second argument for interfering with the business of the country but they have been irresolute and vacillating,—and they have been attacked by the press—in regard to the vital principles of their Budget. I am very sure the minister will agree with me when I say that I have no desire on personal grounds to see his resignation but I think the committee is entitled to full information and at once—and not only the committee but the country—first as to whether these taxes are to be immediately collected or not, because I want to tell my hon. friend the minister that from correspondence which I have had—and I have no doubt every member of this House has had—in remote districts and in near districts of the country some retail merchants are collecting the taxes—others are not. There is a beautiful state of affairs as a result of the Budget: Slipshod, haphazard, no directions. In some cases, I repeat, to my knowledge, the taxes are being collected, in some they are not; and other people are at a loss and are writing for information as to what they have got to do. The ordinary procedure in regard to Budgets is departed from just one hundred per cent in this—that absolute confusion is to be introduced into the business of the country, and the gathering of the so-called excise taxes is being carried on haphazard. Now, we are entitled at once to information from the minister upon two points. There is this important matter, that a great deal of money has already been collected under the provisions as they were originally introduced, but those provisions are being reversed by the hon. minister himself. What is to become of the money that has already been collected? The people have paid it; they have paid it under a law from which

the author of the law is receding. What is to come of that matter? This is a very important matter for the people that have paid the taxes. It is a very important matter for the merchants that have collected the taxes. My hon. friend will not disagree with me on terminology in this case when I say that it is a case of absolutely utter confusion and chaos.

Now, what the people of this country, from Halifax to Vancouver, want to know is: Are the Ministry now so prepared to stand or fall by their proposals that they are prepared to give them information as to how these taxes are to be collected, how they are to be taken care of, and what the machinery is to be; and I have no doubt that very important discussions will yet arise on that very question of machinery. I wonder if my hon. friend has noticed—he must have noticed it, probably it has been brought to his close notice—that in the papers last night it was stated that the retailers of this country say that if these taxes were all collected at headquarters only nine thousand firms would be concerned. They say that collecting them in the way of sales taxes—as they ought to be called, I stick to my point—250,000 firms will be concerned. That is the statement of the retail traders. I need scarcely point out to the committee that that statement, if it has a grain of truth in it, has a bearing of the utmost importance on the machinery that is to be used, the expense of collection, the usefulness of the taxes, and the amount of money that will be raised by it. I submit these elementary considerations; but the point I do want to impress upon the minister is that he must now have arrived at the point—which is the usual procedure, I repeat, in Budget matters—that he and the Government of which he is a member will stand or fall by their proposals, and they will give the people of this country, and the Parliament of this country, absolutely reliable and detailed information as to the machinery by which the taxes are to be put in operation.

Mr. EDWARDS: Those of us who had the privilege of listening to the hon. member for Red Deer when these resolutions were first brought down, and having regard to the attitude which he assumed on that occasion, will not, I think, be disposed to take too seriously his representations now. A Budget has been brought down and certain resolutions have been placed before the committee in the ordinary course, as has been done on former occasions. On former occasions there might be an item in the Budget proposing to make a reduction, we will say, of 2½ per cent on implements or on something else. Until that finally passed the committee it was liable to be changed by the committee, and might be changed at any time, just as any item in the present Budget might be changed. We are simply following the procedure which has been followed in the past. No person in this House—at least no person on this side—will expect the hon. member for Red Deer to be satisfied no matter what is done. The day for the hon. member to experience satisfaction at what the Government does has long since passed. There was a time in his existence, since he entered Parliament, when he was ready to accept anything. Though he preached free trade from the housetops he was prepared to accept and did accept, a Budget brought down by the Minister of Finance.

Mr. MICHAEL CLARK: I rise to a point of order. We are now discussing the Budget resolutions, and I submit to you, Sir, that discussion of my views upon free trade, and of my history in regard to free trade is not apposite to the question under consideration.

The CHAIRMAN: I would ask the hon. member for Frontenac if he has anything to say on the point of order before I give my ruling.

Mr. EDWARDS: No, Mr. Chairman, I have nothing to say.

The CHAIRMAN: I must therefore rule that the point of order raised by the hon. member for Red Deer is well taken.

Mr. EDWARDS: That, Mr. Chairman, is a ruling which I expected that you would give, and it is one with which I entirely agree.

Some hon. MEMBERS: Hear, hear.

Mr. EDWARDS: I might say, Mr. Chairman, but of course it is really unnecessary to do so, that while the hon. member for Red Deer is very free on certain occasions with his fulsome flattery and with his criticisms, on other occasions he is extremely sensitive to a little bit of criticism when it refers to himself. When the hon. member was endeavouring to justify the position he took at the time of his exception to the use of the word "excise," he told us and grew wonderfully eloquent—or rather somewhat boisterous—in his language that great violence had been done to the English language by the misuse of the word. I contend that the word "excise" as applied to these duties is correctly applied. These

duties are collected, in the main, on things produced and sold in Canada. I might—it will only take a moment, notwithstanding the wonderful knowledge possessed by the hon. member for Red Deer I think there is still room for him to gain a litttle information—I might just quote an authority which I do not think even he will question, even no less an authority than Adam Smith, in regard to this. Now Adam Smith says:

"The duties of excise are imposed chiefly upon goods of home produce destined for home consumption."

If Adam Smith had intended that the application of the words should exclusively be to goods produced in the country where they were consumed he would have left the word "chiefly" out. The use of that word by Adam Smith must mean, and can only mean, that the word "excise" while it applies generally to goods made and consumed in the country applies also to like things when imported and consumed in the country. That is an authority which I presume the hon. member for Red Deer will be disposed to accept. He will hardly charge Adam Smith with doing violence to the English language.

Mr. MICHAEL CLARK: He lived a century and a half ago.

Mr. EDWARDS: Yes, that is very true. The hon. member says that Adam Smith lived a century and a half ago, but that has not prevented my hon. friend from quoting Adam Smith, as an authority, on many occasions in this House. Indeed he has not been limited by a century and a half in making his quotations; he has gone into the dim and misty ages, hundreds and hundreds of years ago, when he could quote some person—now long since dead and gone—who had at some time in his life made use of expressions which suited the views of the hon. gentleman. In regard to this particular matter, which my hon. friend thought of sufficient importance to make the subject of an amendment to the Budget, he tells us that Adam Smith lived a century and a half ago and therefore I should not quote him as an authority. The hon. gentleman has been in this House for twelve years, and this is the first time that he has taken occasion to move an amendment to the Budget.

Now, Sir, what has been the attitude of the hon. gentleman (Mr. M. Clark) in regard to this Budget? The Minister of Finance (Sir Henry Drayton) told hon. members with the utmost candour that he was facing a serious after-the-war situation which required the raising of large sums of money. He gave us full details of the situation, and he invited hon. gentlemen on the other side of the House as well as hon. gentlemen on this side to come forward with helpful suggestions towards meeting this national difficulty. Some hon. gentlemen sitting opposite responded to that appeal. But what has been the attitude of the hon. member for Red Deer (Mr. M. Clark)? He was not following in the footsteps of Cobden and Peel and Bright, nor was he wearing the mantle of Gladstone, when he greeted this Budget with sneers and jibes. That is the way the hon. gentleman from Red Deer met the appeal of the Minister of Finance for the assistance of all hon. members in going over these regulations with a view to amending them so that they would cause the least inconvenience to the public while at the same time providing the much needed revenue.

I have sat in this House for twelve years and have seen Budget after Budget introduced. I have seen those Budgets criticised, sometimes from the standpoint of party advantage—and we must expect a certain amount of such criticism—but never have I seen any Budget received in the manner in which this Budget has been received by the hon. member for Red Deer. What has that hon. gentleman done in the way of suggesting anything helpful? Not one single word. His whole attitude has been one of hostility, of carping criticism, of jeers and sneers and jibes, which ill becomes a gentleman who has posed for years past as a disciple of Pitt and Peel and Gladstone, and of Lord This and the Duke of That in the Old Land, and who has offered us the benefit of his wide experience and knowledge of political affairs. Not one helpful suggestion has the hon. gentleman made, but from the very beginning he has put himself in an attitude of hostility towards assisting the Minister of Finance in raising the revenue which he is honestly and sincerely desirous of raising to meet the pressing needs of this country.

I have no objection to the hon. gentleman from Red Deer expressing his views in this House. He can scatter all the flattery he likes, and follow it up by the most narrow criticism he is capable of, but for my part I care as little for his fulsome flattery as for his blows. I ask no quarter from him; he receives none from me. But I would ask him from the standpoint of a member who has sat in this House for twelve years to throw aside politics for the

time being, and if he has any helpful criticism, to proffer it instead of offering only jibes and sneers.

Mr. CLARK (Red Deer): Mr. Chairman, I do not rise to delay the committee by following my hon. friend (Mr. Edwards) in all his very delicate references to myself. I rise for two purposes, and two only. My hon. friend has made a direct charge against me in regard to my attitude towards the Minister of Finance. He said that I had met the minister's proposals with nothing but carping citicism. I call my hon. friends attention to the fact that on the proposals for increased income tax I never opened my mouth when the Bill was going through committee, but on the second reading I did take the liberty of saying that I thought the minister might have further increased that tax. I offered no opposition except to taxes which, in the exercise of my undoubted privilege, I have my own views about. After all, I am only a human being, but I am entitled to as much respect even from the hon. member for Frontenac as God Almighty might be expected to give to a black beetle! I submit that to my hon. friend's view. That is my first object in rising.

My second object is to meet my hon. friend's quibble—because I must term it a quibble—in regard to my having quoted Adam Smith with approval on some things while not approving him on this particular thing. As a matter of fact I do approve of Adam Smith's views in this instance. I told my hon. friend and the other hon. members who listened to me on the second reading that these excise duties did exist in England 150 years ago, and I told how they were characterized at that very time by Doctor Johnston. Doctor Johnston and Adam Smith were contemporaries. I carefully guarded myself by saying further that the term "Excise Duty" had had a precise meaning for a century. My hon. friend's complaint is that I object to taking Adam Smith, who lived 150 years ago, as an authority upon the meaning of the words current in the last 100 years, during the whole of which period he has been dead. That is the point of my hon. friend's argument.

I do not follow him further, because I remind myself from time to time that while a medical man in the person of Doctor Harvey discovered the circulation of the blood, my hon. friend has for some time held a patent for the circulation of bile.

[Mr. Edwards.]

Mr. EDWARDS: In reference to that last remark, I might say that even Doctor Harvey might have revised his theory in regard to the circulation of the blood if he had examined the anatomy of my hon. friend from Red Deer. If we may judge by his political and tariff views it would puzzle the greatest anatomist on earth to follow the circulation of the hon. gentleman's blood.

Mr. STEVENS (Vancouver Centre): Mr. Chairman, having due regard to your ruling, and bearing in mind that we are not dealing with physiological questions, or whether some economist 150 years ago said this or that, I wish to address one or two words to the Minister of Finance on a very practical matter. May I preface my remarks by stating to the House at large that these taxes being of an entirely new character, necessarily, I think, demand from the House very careful consideration, and that where, after due thought, it is found desirable they should be modified or changed. With all due deference to my hon. friend from Red Deer, I take the stand that the hon. minister (Sir Henry Drayton) has been exceedingly wise, after hearing the criticisms from hon. gentlemen opposite and from this side of the House, and after receiving suggestions from practical men in various lines of business, to acknowledge the desirability of in some degree modifying these schedules.

I wish to make direct reference to the schedule, and before the minister—if he intends so to do—makes that definite reply so forcibly demanded by the hon. member for Red Deer, I would like the minister to consider the advisability of adding to the amended schedule hats and caps as coming under the same category as clothing; that is, that this tax shall be levied against the amount in excess of $5, or $2, as the case may be, as against the full amount above those two sums. I think I make myself clear in my request to the minister. I shall now give him very briefly one or two reasons for my request. I would like to point out first that hats can scarcely be considered a luxury until they get into a class where they are of so expensive and odd a character that the average person does not buy them. Now any felt hat under $5 is not an economical hat to buy. I am told by those who know the business thoroughly, and I had occasion some years ago to acquaint myself with this business, that it is impossible to produce under present conditions a felt hat under $5 which will be an economical

purchase, that is to say, which will bear re-shaping and cleaning, which is a very common practice amongst a great many of our citizens. Of course, you can buy a hat cheaper than that, but after a few months it is perfectly useless and cannot be re-shaped or cleaned. Upon that I base my argument that it is not desirable to discourage the purchase of let us say a $6 or $7 hat, which in the long run may be much cheaper. Now I want to make one or two direct references as to cost in support of this limit which I have mentioned. Upon investigation I find that the cost of the material entering into the manufacture of felt hats—and this applies also to cloth caps—has gone up anywhere from 200 to 700 per cent. This is something that is not controlled in Canada. It is not a case of some group of persons controlling this raw material and making an abnormal profit on it, because nearly all the raw material entering into the manufacture of felt hats is imported. The same remark applies very largely to the trimmings of a felt hat. I would bring this very strongly to the attention of the minister and urge him to bring hats and caps within the same list that he has so wisely, I think, provided covering clothing. That is my direct request, and I trust the minister will give it his favourable consideration before making final answer.

Before taking my seat I would say again to the House that I think the minister has been wise in amending the schedules. As the hon. member for Red Deer has said, we have all been deluged with requests from business people throughout this country. I have in my desk at this present moment perhaps fifty telegrams from very important business concerns in Canada, and after analysing these telegrams and considering them in the light of the amendments suggested by the minister, I find that the requests made by these gentlemen and the reasons, many of them very logical, put forward have been very largely met by the minister. So the House, I think, would be well advised to give the minister very earnest support in his effort to bring this rather difficult undertaking into proper and workable shape, rather than taking the stand, as was suggested, I believe by the hon. member for Red Deer, that the whole proposals should be swept aside and perhaps some new scheme of taxation devised. I submit that the minister has not changed the principle of his Budget, but he has very wisely conformed to what was clearly in the public interest in this particular form of taxation.

Mr. EULER: When the minister stated the other day that members on both sides of the House might assist him with suggestions, I had hoped that he referred not only to the various details of the taxes, but also to the method by which they should be collected. I regret very much, however, that he made it somewhat plain the other day that, so far as the method of collection was concerned, he was not disposed to make any change. I realize the difficult position in which the minister is placed in raising the necessary revenue. He has to raise a great deal of money. He is facing an unprecedented situation, and it is quite natural that in the circumstances he must adopt unprecedented, and perhaps more or less experimental means for raising the money which he has to find. He has laid down the principle that the money should largely be paid by those who can best afford to pay it, and that the taxes should be collected with as little inconvenience to the people of Canada as possible. I think it is the general opinion throughout this country that there is a great deal of money in the hands of a few people. Ordinarily we like to speak of these men as profiteers, and the general demand is that the enormous profits of the profiteers be taken from them and put in the coffers of the country. For my part, while I subscribe to that in a general way, I think there is a good deal of nonsense talked about the profiteers. I hold no brief for them at all. As a matter of fact, I believe that a great many people, including members of this House, are not profiteers, perhaps simply because they have not had the opportunity. There are many Pharisees amongst us.

The minister has adopted the plan of raising the necessary revenue largely in the form of luxury taxes and income taxes. In that way he expects to get the money from those who can best afford to pay. Personally, I do not like very much the term "luxury taxes." I think if the luxury taxes so-called, were really luxury taxes they would very largely overlap the income tax; that is, that the men who pay the income tax would also very largely pay the luxury tax. For my part, I do not believe in calling them luxury taxes. I would call them sales taxes, or excise taxes; it does not make much difference to me which term you choose. While you may get a good deal of money from the wealthy people, I do not believe it will be possible to obtain

all the revenue that is required from that class, and I think that the plain people of this country might just as well face the fact now as later that after all the costs of this war will have to be paid by them and by nobody else, because although the wealthy man may pay in the first instance, ultimately the taxes will be passed on to the great mass of the people. If that be true, that the common people of this country will pay the great mass of the taxes, then I say let us make our method of rising the taxes just as simple and easy as possible, without trying to carry out any impossible or improbable theories. I would urge upon the minister that he do not close his mind altogether as to the best method of collecting these so-called luxury taxes, and that he do not necessarily insist now that these taxes shall be collected through the retailers of this country. I think he should take this very reasonable attitude, that the members of the committee should discuss pro and con the arguments relating to the method of collecting and then he and the Government could decide which arguments have the preponderance of logic behind them, and then let the minister adopt the best method without necessarily laying down in advance any definite rule as to how these taxes shall be collected. I do not think the minister would be stultifying himself by adopting that procedure or be necessarily called upon to resign from office, although personally I would like to see the whole Government resign. In support of my statement that he would not be stultifying himself, I say that the minister has already in effect altered some of the principles which he enunciated the other day. Reference has been made to that by other speakers. For instance, he first stated that the tax upon clothing and other articles was to be collected upon the whole purchase price, if the article exceeded a certain price.

He has now altered that attitude, and quite rightly so, in that he purposes collecting certain taxes only on amounts in excess of a certain figure. But I cannot see why the minister was not consistent in following that principle all the way through. The matter of hats has already been referred to by the hon. member for Vancouver Centre (Mr. Stevens). I have no particular interest in the manufacture nor in the retailing of hats; but if the minister is laying down the principle that articles of clothing shall be taxed only on certain excess values, surely hats and caps come within that category and should be



treated in exactly the same way as any other article of clothing. While food and clothing may be bare necessaries of life, it does not follow that all other things are luxuries and should, therefore, be taxable. "Man," it is said, "does not live by bread alone." Besides the bare necessaries of life such as there are, in our civilization, many things without which we cannot possibly live any sort of complete life. In our houses we need furniture, carpets, rugs, electric fixtures and many other things which may occur to the mind of any hon. member. These things are absolutely necessary to the comfort and happiness of the Canadian people. While I admit that, after a certain point as regards prices, many of these articles take on the nature of luxuries, I contend that up to the point where they take on that nature, they should not be taxed any more than food and clothing.

I should like to examine, very briefly, the reasons upon which the minister bases his opinion that the taxes should be collected through the retailer. First, I will mention his least weighty reason, namely, that he would like to have the public realize that the war must be paid for as well as won. I do not think that is quite worthy of the minister, because the people of Canada realize in the very fullest sense that they have to pay for this war. I put that aside as an argument of no great weight.

A second argument he makes is that he has already made prices come down, and he cites instances in the city of Ottawa where prices of suits of clothes have been reduced. I have walked up and down the streets myself, and have noticed in the windows, suits priced at $45, and in other cases at less; but in many cases they have the magic number "45" attached to them, and he assumes that prices have been reduced from $55 or $60. I doubt whether he is justified in that assumption. I am not particularly suspicious of human nature; but I think our business men, retailers and others, are very shrewd, and they are apt to take advantage of almost every opportunity that presents itself. Personally, without casting any reflection on the retailers of this or any other city, I would not be surprised if in some instances the prices of those suits of clothes had been actually less than $45 before the Budget was announced. The temptation is at least there, so that the argument is not very strong.

The minister advanced one argument which made some impression upon me and

which is the only one that can possibly support the method of collection which he proposes. He feared, if the tax were collected at its source, through the importer or manufacturer, the pyramiding of profits which would result all the way down from the manufacturer or importer through the jobber to the retailer, and that the actual result would be that the consumer
4 p.m. would pay more than he would if the method which the minister favours were adopted. There may be some truth in that, but the other disadvantages of the method favoured by the minister so far out-weigh the advantages of other systems which could be applied as to make it advisable to discard the method now favoured by the minister. The objection to collecting the taxes through the retailer is, I think, briefly this—the great expense, to both the Government and the merchants concerned, of making those collections. The hon. member for Oxford North (Mr. Nesbitt) stated the other day that he did not think there would be any great expense attached to this method of collection. I come from a city which has many retailers, many merchants, and one and all seem to think that it places upon them an enormous burden of work and care to collect that tax honestly and fairly and to pay it into the treasury. The minister also stated that, as regards cost of collection to the Government, he did not purpose going to any great expense; that he thought he could trust the retailers to make their returns honestly and fairly. I am not going to take any great issue with that statement; but the minister has lived long enough to know that there is no class of people in Canada, nor probably in any other portion of the world, who willingly pay taxes, I do not care how patriotic those people may be. Those of us who know anything with regard to statements made in connection with the income tax, know there are very few men who deliberately pay that income tax except as they know they must pay it. Perhaps I am wrong in that; perhaps I am misjudging human nature; but I believe I am right in saying that, as a general principle, people will not willingly pay taxes, no matter what the form of those taxes may be nor for what purpose they may be imposed, and if the Government wishes to get the tax, it must adopt some means of seeing that it actually receives that which it expects to receive. I believe in many cases the merchants will not collect all the taxes, nor will the Government receive the taxes collected in all instances. In all this I am making no reflection upon the retailers as a whole.

Again, there is so much lack of information on the part of the people and on the part of some of the merchants as to commodities upon which these taxes shall be applied, that, in many instances, taxes will be collected from people entirely illegally because the commodities on which those taxes are collected are not taxable at all. I happened to hear yesterday of an incident which illustrates that point. A traveller who came from the city of Montreal went into a confectionery store in order to buy a box of candy priced at $1 or $1.20, and the retailer insisted on collecting from that man what he called a luxury tax, although the collection of it was not legal. I am afraid a great deal of that sort of thing will occur. Further, even if this method of taxation might be in the interest of a large mass of the people, it is not fair to put one section of the public, such as the merchants, to all the inconvenience and expense consequent upon this method of collection.

The other method of collection suggested is that the tax be collected at its source from the manufacturer or importer. If the minister decided to adopt that plan, he would not be violating any principle already laid down by him, because, as a matter of fact, he has already adopted that plan in other instances. I for one do not believe musical instruments, pianos, phonographs, are entirely luxuries. In the case of musical instruments the minister is collecting from the manufacturer; the retailer of musical instruments does not collect the luxury tax as such at all. If the principle be right in the one case, I am at a loss to understand why a departure is made from it in another case. Therefore, it would not involve any departure from a principle laid down by the minister if he desired to adopt one principle and observe it all the way through. If that method is adopted, he can simplify the whole process to almost as great a degree as possible. Every manufacturer, every importer, every wholesaler, in fact every merchant, if he does his business in an up-to-date way, keeps a sales book or at least has some record of his sales, and it is the easiest matter, at the end of every two weeks or every month, to ascertain exactly what the sales have been and then calculate the tax upon them. And if the Government desires to verify the returns it is a much more simple way than to go from retail store to retail

store and search through thousands, and indeed hundreds of thousands, of sales slips which the merchants are expected to keep. In addition to that, I contend that the tax will not be felt as a tax. I maintain that the manufacturer or the importer will merely add that tax to his overhead expenses the same as any other overhead expense, and it will be absorbed into the general costs of doing business.

I rose to make one other suggestion and I am rather surprised that it has not been made before. Another method of collecting this tax has been suggested in the press and in discussions of this matter, but I have not yet heard it made in the House. In passing, I may say that I prefer the method just mentioned. But if the minister has objections to collecting the tax from the wholesaler or the manufacturer at the source of production because of a fear that the consumer will pay more, then I would ask him to consider the suggestion that the tax be collected upon the entire sales of the retailer as well as those now paid by importer and manufacturer. That method will have almost all the merits and advantages of collection through the manufacturer and importer. The books are there and the sales are shown, and there will be very little inconvenience and expense either to the retailers or the Government in making the collection, while it will remove the dangers which the minister sees in the pyramiding of profits all the way down from the importer or manufacturer to the retailer. The retailer will simply add the one per cent, or whatever the percentage may be, to his overhead, and it goes out to the consumer with very little added cost as compared with the method proposed to be used by the minister. You would, I believe, obtain almost exactly the same amount of money by employing that method of collection as by the present method, and with much less inconvenience. A retailer of this province who has been carefully collecting the tax for a period of ten days under the present system found that during those ten days the sales amounted to something like $4,400, or $4,300 and that the luxury tax amounted to exactly $43. That is just as close to one per cent of the total sales as you could arrive at, and I make the deduction from that that if that method were adopted of placing a tax of one per cent on all sales, except foods, you would obtain just about the same amount of revenue as if you adopted the method proposed. I do submit that it would be much simpler, would cost a great deal less and would be less inconvenient. I make this suggestion for the consideration of the minister, and as I said on rising, I hope he has not made up his mind firmly to adhere to his other plan. I simply want to see the money obtained in the least burdensome manner, and with the least amount of inconvenience to the public and expense to the Government.



Sir HENRY DRAYTON: My delay in rising to reply to the impassioned series of questions which the hon. member for Red Deer (Mr. Clark) threw at me with more or less, chiefly more, vehemence, is not owing to any lack of respect for the hon. gentleman. It is due simply to the fact that I was waiting to see what would be the result of his Macedonian appeal for help, in the plight in which he was, from the hon. member for Shelburne and Queen's (Mr. Fielding). But help cometh not. I do not think that the attack was one which that hon. gentleman would like to associate himself with. I waited for some time to see if he would ally himself with it, but apparently he does not desire to do so. I do not want the hon. member to think that I in the slightest degree take his attack as personal; I do not. I do not want him for one moment to believe that so far as I am concerned it is in the slightest degree resented. It is not; it is welcome. After all, when you have a good case there is nothing like seeing all sorts of attempts made—attempts which I say ought never to be made—to upset it. I say "ought never to be made," and I mean what I say when I apply those words to the hon. gentleman. What is all the trouble in connection with this Budget, so far as the hon. gentleman is concerned? Is it that he must plow his furrow absolutely and entirely alone? Is it that he has absolutely no faith in the dogmas he has preached day in and day out in favour of direct taxation? Is it that he thinks that the Government have taken from him something which he would fain keep for himself, although perhaps he may think it would be of benefit and advantage to the people? Or is it that he wants an election cry with the untried formula of the hon. member (Mr. Fielding)? Direct taxation! This Budget, which is so fiercely attacked, does more in the direction of direct taxation than any other Budget ever introduced in this House. Direct taxation! Why, so far, I think the hon. gentleman is the only member of his party who has attacked these taxes in principle. I may be wrong, but at the moment I can recall no other. On the other hand, I can

recollect many commendations from members of his party who were glad to see that a tax was being imposed directly; that it was not being put where extra profits could be made through it, but rather directly and in accordance with the principles of their own platform. Of course, it is quite true we often hear the statement that platforms are things made not to stand on but to get in on, something to trick the people here and to trick them there. Nevertheless, some people believe in their platforms, and some of these hon. gentlemen, certainly in no mistaken terms, welcomed the dawn of at least an honest attempt to institute direct taxation and an honest attempt to pay our way as we go and thereby discharge our obligations. I do not know exactly why this particular attack is made unless it has something to do with what I have suggested. But, there are two alleged reasons advanced by the hon. gentleman in connection with the point he seeks to make. In the first place, while he is preaching excise taxes in season and out of season while the excise as direct taxation is the means of salvation for the country until this Budget is brought down, while it is the right thing for this country, he to-day says that these are not excise taxes. I wondered what he thought when he was talking about excise taxes. He was talking about a tax called excise collected from a people that had been accustomed to paying excise taxes. He was talking to Canadians not having regard to the definitions given by Adam Smith, by Webster, or any other dictionary, but having regard to a class of taxes that they knew and had been paying. As I have pointed out before the kind of taxes he has been talking about when he has been talking about excise, must have been those which he himself had to do with. I referred shortly to the excise taxes which the hon. gentleman had had to do with. I am going to refer more particularly to the Act. This is something that he has so far overlooked in his renewed attack. I refer to the Special War Revenue Act which was assented to on the 8th April, 1915, as amended by the legislation of 1918. The hon. gentleman will remember the great point that has been made—the tremendous point—on which this long suffering Government is to be turned out of power. If it would do any good to turn them out, but that it would be a good thing I do not know, but I do not see how any one could get any where or that the slightest amount of concrete good would come to anybody except some people who want office because of the Government being turned out. However, the main point is this, that an excise tax cannot apply to a tax on any commodity which is manufactured in the country. That is how the hon. gentleman, when he was supporting excise taxes, when he had no other object in view except seeing that a measure of direct taxation was placed upon the people of this country, and a measure of direct taxation which he, only a few days ago in this House said was not nearly enough, but a measure that he would support, viewed the matter. The Act reads:

> There shall be levied, collected, and paid on each of the articles mentioned in the Schedule to this Part, when imported into Canada after the 30th day of April, 1918, in addition to any duty or tax that may be payable under any other statute or law, a war excise tax equal to ten per centum of the duty paid value of the same.

The hon. gentleman then is voting to put an excise tax on top of the customs tax on an imported article and there is nothing wrong. The distinction is again so clearly drawn that it is impossible that the hon. gentleman can be mistaken. The Act goes on:

> And there shall also be levied, collected and paid, when any such article is manufactured and sold in Canada after the 30th day of April, 1918, a war excise tax equal to ten per centum of the price for which the same is sold.

Both classes are treated exactly the same; it is the same thing in each case as the hon. gentleman will find if he takes the trouble to look into it in connection with any of our legislation.

Mr. MICHAEL CLARK: What the hon. gentleman has just read is the exact definition of an excise tax if I understand it. It was an excise duty imposed on goods manufactured in the country.

Sir HENRY DRAYTON: The hon. gentleman has a way of listening with one ear and closing the other. He has a way of shutting his ear when the argument is against him just in the same way as he sometimes clouds and closes his intellect when the argument is against him for in the very preceding sentence I read, exactly the opposite thing was done. The excise was put plainly, straightly and strictly upon the imported article and not only on the imported article but on the value of the imported article duty paid. The point really is too plain to labour, and I only labour it because I have the greatest respect for my hon. friend and I am sure he was sincere in the first instance when he

approached this subject. But he sees how the taxes are described in this Act. If further light were required I would invite him to consider the automobile tax. If he looks at that tax he will find that it is called an excise tax equal to ten per cent of the duty paid value of the imported article or equal to the manufactured cost if manufactured at home. I know my hon. friend always understood that there was no tea grown in Canada and that the excise tax on tea was certainly a tax on an imported article. That is what he called it when he voted for an excise tax. I refer him to the section dealing with the tax on tea. He will find the same thing in regard to cinematographs and other things. The thing is really too plain, too clear, for further argument. It is a quibble that is unworthy of my hon. friend.

There is one other ground advanced by my hon. friend. He says that not only in the first instance did I shatter the English language, the dictionary and everything else but that to-day I am absolutely shattering and ruining all proper parliamentary procedure.

On the subject of parliamentary procedure I yield with the greatest deference to my hon. friend I do not know much about parliamentary procedure but I had hoped that when I came into this House I was going to learn a great deal about it from my hon. friend. One of the things I am suffering from at the present time is the greatest sense of disappointment because I know my hon. friend could give me that instruction, I know that he knows the subject well, but again I am afraid that my hon. friend was not entirely sincere in the manner in which he approached the point. For example, he appealed in connection with the Budget debate, or rather in connection with the point he was making, to the hon. member for Shelburne and Queen's (Mr. Fielding) for help, for assistance and for light. Well, of course, it was not forthcoming. Why? Because the very thing that is being done to-day was done in this House in November 1896. It is no new thing to change Budget resolutions in Parliament. It is no new thing to change the duties when taxes have gone into effect. It is no new thing, after all, to try—never mind at what minute you attempt it—to try and do the right thing, and it was done in November 1896. Why, the tariff was introduced by the hon. member for Shelburne and Queen's, when he was Minister of Finance, in November of 1896. It was approved in March 1897; and there the same question came up, that has to come up here when changes are being made. For what reason? In the public interest and to make the scheme of taxation proposed a better scheme, changes were there also made. In that case the section respecting the date of rates going into force provided that in cases where rates were reduced—and rates were reduced with the Government staying in office, as my hon. friend knows very well—refunds would be made dating back to November while increases—and increases were then made after the Budget had been introduced —only came into effect on the date the resolutions were adopted in March. So, Mr. Chairman, as far as the precedents of this House are concerned at any rate, what we are doing at the present moment is covered by precedent.

There is really one claim made by the hon. gentleman, and it is that the Government should come down to the House with an adamant face, shove their proposals through with the force of their majority irrespective of those merits which arguments and discussions here may substantiate. After all, the Government's responsibility is of such a character that in order to do the right thing and the honest thing the tax in the first instance can only be considered, as the hon. gentleman well knows, privately and without the intimate knowledge—under our methods of Parliamentary procedure—the intimate knowledge that an inquiry would give. Notwithstanding that, notwithstanding that an error may be made, in the opinion of my hon. friend there must be no change in the Budget but it must be forced through whether it be in the public interest or not. Well, Mr. Chairman, I do not know what the House thinks of that as a principle, but it would seem to me to be a very extraordinary one. I should have thought that no matter what legislation may be introduced, it can be improved by discussion in the House and that unless measures are to be improved here from time to time there is not an awful lot of justification in having a House. It seems to me to be most extraordinary that the silver-tongued orator of democracy—who preaches democracy in the highways and the by-ways—does not, after all, understand its meaning, and that that silver-tongued apostle of democracy has today become the brazen-mouthed trumpet of absolutism and autocracy.

Some hon. MEMBERS: Oh, oh.

Mr. LEMIEUX: This is not an academy, and it seems to me we have gone far afield

this afternoon to define a word the meaning of which has been practically decided a day or so ago. I wish to call the attention of the committee, in a few brief sentences to another aspect of the case, and I invite the attention of the Finance Minister to the amendment I am about to move. Let me say at once that I have received several letters and resolutions bearing on this subject. Personally I am quite ready to do my share to help this country to carry on. I have already formulated my objections to my hon. friend's resolutions. I consider that his taxes on luxuries are more or less taxes on necessities; but on this point we expressed our respective opinions when the Budget Speech was delivered and in the discussion which followed. I have no doubt that the House and the country will have to face the passing of these resolutions with their attendant consequences, although from now on perhaps a few amendments may be made. For my part I repeat that I am ready to face the situation, to help the country to carry on, provided my hon. friend will amend his resolutions so as to give a living chance to the poor man, and see that at least the necessities of life are not made taxable.

But I am rising this afternoon with a different object in view. As I stated a moment ago I have received several resolutions and letters bearing on the amendment which I intend to offer. When our boys left for the front, they left with the blessings of their parents, and also with the solemn promise made by Parliament and by Canada as a whole that their dependents would be cared for and that they themselves, if they returned, would be cared for by the country. In my humble judgment, no country in the world did as well as Canada for the dependents of the soldiers during their absence at the front. The Patriotic Fund, the Red Cross Society and the various private organizations in the country, did fairly well by the dependents of our soldiers during the time the latter were at the front. But the soldiers have returned—at least the majority of them have—and in the case of those who have not returned and will never return the country has been providing for their families. Has the country provided in an adequate manner for those families? This is not the time to say. Speaking of those who have returned to Canada, speaking of those who constitute the Great War Veterans, there has been, I am bound to say, a sad experience. They have been refused by the Government the gratuity which in other countries has been paid to returned soldiers.

Sir HENRY DRAYTON: May I ask my hon. friend a question? I would very much like information regarding those other countries to which he refers, and the amounts of the gratuities they granted to their returned men.

Mr. LEMIEUX: I am not saying that this country has not done something for its returned soldiers. But as regards gratuities paid by some other countries, I will be able at a later stage to give my hon. friend full particulars. It is quite possible that Canada was not in a financial position to give the returned soldiers all that they demanded. I remember a very forcible statement made by my hon. friend's predecessor (Sir Thomas White) before a Select Committee of this House, and I am bound to accept it as an accurate statement of the case. However, I state the plain, bald fact that our returned soldiers, who had been promised that they would be cared for on their return, were refused the gratuity they asked from the Government.

But this is not the most serious difficulty which faces those men. On their return they are confronted with the extremely high cost of living. While this is very serious for the ordinary citizen, I claim that it is far worse for the returned soldier, for the former has not had his nervous energy depleted nor his earning capacity impaired; but the latter is not yet himself again. It will take the returned soldier who spent five, four, three or even two years at the front many years before he regains his normal state of health, although he may not have been wounded. I invite the attention of the doctors who sit in this House as to the correctness of my statement.

It is true that Parliament has done something to help the returned soldier re-establish himself in civil life by giving him the benefit of vocational training; but still he is not on a footing of equality with his neighbour who remained at home to face the struggle for existence. It will be generally admitted, I believe, that the most difficult period for the returned man is this very period of re-establishment, for he has practically to start life afresh. Generally he is blessed with a family, and with the present high cost of living and handicapped by his impaired vitality, he finds himself unable to stand the strain of the economic struggle.

Therefore with the new Budget resolutions materially adding to the burdens of the tax payer, I appeal to my hon. friend (Sir Henry Drayton) to extend to the sol-

dier and to his dependents the hand of fellowship,—to be generous and at the same time to be grateful to the returned soldier. But my hon. friend will ask me: How can we create an exception? The law of the land must apply to every person, and the returned soldier should not be exempt from its operation. My answer, Mr. Chairman, is very simple. And let not my hon. friend believe for one moment that I am appealing to popular passion in what I am about to state; on the contrary, I am trying to help him. Yes, the law of the land must be applicable to every citizen and no one should claim exemption from its operation. Yet may I remined my hon. friend that during the war, while the soldier was at the front ready "to go over the top," to give his all for his country and for the great principles of democracy, under the stimulus of the most ardent patriotism, yet at home, when asking the people to fill the Treasury with their savings, the Government was giving to a special class of the community exemption from taxation. Loans were floated at a very high figure, and those loans, known as "Victory Loans," representing immense sums of money, mostly profits made out of the war, were issued with a special label "exempt from taxation." To-day I know of some war profiteers and of some very wealthy men, patriots at large, who have invested, and rightfully so, their savings and profits in those loans, and who are therefore absolutely exempt from taxation. Let me say, en passant, to my hon. friend the Minister of Finance that if there is one thing which has thrilled this country, it was his first administrative act of last fall when in his drive for the last Canadian domestic loan he refused to exempt the bonds from taxation. I give this credit to my hon. friend: He was bold and patriotic when he took that firm stand, which was in strong contrast with the stand taken by his immediate predecessor. We have been told that this country was intensely patriotic during the war. Well, Sir, as an evidence of our patriotism during the war let us never mention the Victory loans, except the last one, which was launched after the war, and which showed the loftier spirit and the nobler instincts of the Canadian people. All honour to my hon. friend. I have given him an example, and I have given him a precedent, the exemption from taxation of the Victory loans issued during the war when our boys were at the front exposing their lives. I say to my hon. friend that the returned soldier and his dependents will have to pay part of the price of the enormous advantages secured by the bonded aristocracy of Canada. The high cost of living may be assigned to various causes, but I am quite sure that one of them is the fact that so many millions and millions of dollars invested in Victory loans are to-day exempt from taxation and do not yield a red cent to the needs of the country. As a result the returned soldier after exposing his life at the front, finds when he returns to this fair land of his and ours that he has to pay for the financial blunders of my hon. friend's predecessor. Would you allay the feeling of unrest which exists among the soldiers? Would you prevent sedition? Would you call a halt to any unhealthy agitation in Canada? Would you put an end to this claim for a gratuity which the country cannot afford to pay? If you would, I can suggest a remedy to my hon. friend at once. I can assure him that the returned soldiers will ask no favours from the Government in the way of exemption from ordinary customs duties and the other taxation burdens which Canada has imposed upon her children, but as my hon. friend is to-day asking Parliament to endorse a resolution which in his own words is temporary, and preeminently an after-the-war measure to meet a war contingency, I say to him, let the soldier and his dependents be exempt from the taxation which you are imposing by this measure. Mr. Chairman, the churches of this country are exempt from taxation on certain articles which they import for use in divine service. The Government accedes to the request of the churches because it respects the object which the churches have at heart—the morality, the Christianization and generally the uplifting of the people. But patriotism is also a religion, and I believe there is no higher form of patriotism than the one which was exemplified on the battlefield by our soldiers.

I conclude my brief remarks in order to bring forth from the lips of my hon. friend the Minister of Finance an acquiescence to the principle of my amendment because he is too good a patriot himself not to stand, by the returned soldier. I therefore beg to move to amend the present resolution by inserting after the word "that" in the first line of the first paragraph the following words:

—except in the case of returned soldiers who have seen active service overseas and their dependents who shall be exempted from the said taxes for a period of five years from the date of

the sanction of the Act to be based upon the present resolution.

Sir HENRY DRAYTON: I do not know at the moment whether an amendment of that kind is in order, but I should not like to raise any question of order on a matter relating to the returned soldier. I can tell my hon. friend at once that of all His Majesty's subjects who could have any claim to exemption the claim of the returned soldier is greater than all the others put together and multiplied many times over. It is just a question how the returned soldier should be helped. It is just a question how he can best be helped. It is just a question whether or not—and this is a matter which has had attentive and anxious consideration—the returned soldier would like to be placed in a special class having regard to his purchases to the amount of a few dollars in the half year and to the amount of not many dollars in the whole year. It is a question whether he would rather not be put in that class of taxdodgers or something else. Would he not rather that the country should obtain as much revenue as possible even although he paid $1 or $2, yes, perhaps, $10 a year in luxury taxes? After all, what do these luxury taxes amount to? Would he not sooner pay, perhaps, $25 or $30 a year in order that the country should obtain as much revenue as possible? It may well be that this returned soldier would say: "I, who am in a position to pay, would rather pay my honest share so that my country may be in a position to help my less favoured comrade to have just a little bit more for pensions, yes, that my country may have a little bit more for the disabled man and for the widow of my fallen comrade."

I do not want to treat the returned soldier question in any slushy way, and by a pretence of helping him with a small exemption, to seek to curry favour, and so far as I can see, that is what I would be doing, if I were to do as is suggested. This matter is receiving very careful consideration; and if we give the returned soldier any exemption, I am inclined to think we should not do it in connection with a few luxury taxes, as the amount of exemption would be of little consequence in comparison with the sacrifices the returned soldier has made, but we should, perhaps, do something larger and bigger, maybe by giving the returned soldier absolute exemption on income. That whole question, however, is in the hands of a very capable committee. I hasten to assure my hon. friend that any feasible suggestion he can make as regards exemption which will really amount to something will be taken into consideration. We cannot, however, consider suggestions which, if put into effect, might be taken advantage of by traders who were not honest, because after all, how could you check the shops? When I considered this matter, the point that bothered me was this. Here is a shop which happens to be the black sheep in the hundred. In that shop the merchant has sold goods on which luxury taxes ought to have been paid; but he says: I sold that to returned soldier So-and-so, and I sold this to returned soldier So-and-so, and the effect would be that you would not be giving exemption to the returned soldier, but, to a very large extent, you would be putting the dishonest trader in a position where he could exact the tax and, having exacted the tax, could put it into his pocket. That is the difficulty. There is no trouble at all about meeting my hon. friend on the question of what one can do for the soldier. We cannot do too much for him within the ability of the country to do and to pay.

Just one other thought. I would suggest to my hon. friend, in a spirit of the greatest kindness—should we not, for the time being, stop worrying about what was done during the war? That is done. Why say that Sir Thomas White was the only man in the world who ever sold tax-exempt bonds when tax-exempt bonds issued in the United States make the issue of tax-exempt bonds by Sir Thomas White look as absolutely nothing. Moreover, the statement was made in this House only yesterday that one of the reasons for trouble in this country was that the Government had surrounded themselves with a favoured few to whom they had given tax-free bonds. Of course, if that statement had not been made in this House, one would wonder very much where the gentleman who made it came from and what his mentality was. But the hon. member for Maisonneuve and Gaspé (Mr. Lemieux) should remember that every citizen, every white man left in the country, formed part of that band that is described as the band supplied with bonds, everybody from the highest to the lowest, from the poor man who could afford, out of his savings for the whole year, to buy only a little fifty dollar bond, up to the Rt. Hon. Sir Wilfrid Laurier. No more effective appeal was made, no nobler sentences were penned than those of the Rt. Hon. Sir Wilfrid

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Laurier when he asked his fellow countrymen to do their duty by subscribing to these bonds, thus becoming a part of the Governmental favoured few as described in this House yesterday. Everybody was in it; everybody was then doing as he thought best for Canada. Not a Canadian newspaper, worthy of the name, was not dedicating space to this appeal to buy bonds. When we are all in it, is it not time that we should stop quarrelling about it? Moreover, those bonds may be very readily obtained in the market at the present time, and although they are free of taxation, they may in some instances be bought today at less than par. That of itself is surely a sufficient answer. But the soldier's case does not rest upon that rope of sand suggested to support it; the soldier's case is such that, on his own merits, we in this House ought to do everything we can for him.

Mr. CLARK (Red Deer): There are three grounds on which I find at the present time that I cannot support the amendment of my hon. friend (Mr. Lemieux) although, perhaps, he may be able to remove my difficulties. It would be an act of supererogation to profess sympathy for the returned soldier. I take it that every man in this House has sympathy for him. But the first objection I see to my hon. friend's amendment is that some returned soldiers are excellently well able to pay these taxes, and not only would they be excellently well able, but, as the minister has said, they would be very willing to pay them. How would my hon. friend proceed in a case of this sort? Would he exonerate those men whether they were willing and able to pay or not? That is a practical difficulty of great importance. The second point, which seems to me to be also of practical importance, is that there would be a very large opening for fraud. The practical difficulty of collecting which applies to these taxes generally and all around, would be intensified in this particular case; you would need to go around the country marking your returned soldier, and every retail salesman would have to have the mark. That is only incidental to the third difficulty. My third difficulty in regard to voting for this particular amendment is that if I voted for an amendment in favour of exempting somebody from this tax, I am afraid I would be misunderstood as being in favour of the taxes generally, and I want still, in spite of all that has

[Sir Henry Drayton.]

fallen from the minister, to say that I am entirely unrepentant upon that point.

I think I shall be speaking within the bounds of the amendment if I take just a minute or two to pay some little return attentions to my hon. friend (Sir Henry Drayton) in regard to the remarks he devoted to me a few minutes ago. He started out with an assurance which I was very glad to receive, that he did not take my opposition to these taxes as a personal thing. I am bound to say that his manner did not agree with his words, because I was rather glad, when he was getting back at me, that a couple of benches were between us for he seemed to be almost on the point of making a pounce upon me. We shall however, rub out his manner and accept his words. I was surprised to hear from the minister that I was ploughing a lone furrow in regard to my opposition to these taxes. I had an idea that he had been receiving deputations night and day on this subject. If I am ploughing a lone furrow in this House there are plenty in the furrow outside, as my hon. friend knows very well. One of his followers told us that he had under his hand some fifty telegrams of protest at the time he was speaking.

Mr. STEVENS: The hon. member is hardly correct. I said I had about fifty telegrams suggesting changes and improvements which I commended to the consideration of the minister.

Mr. CLARK (Red Deer): If they want changes and improvements they can hardly be in favour of the original thing.

Mr. STEVENS: They want to make a good thing better.

Mr. CLARK (Red Deer): Now, in regard to the question of direct taxation, my hon. friend (Sir Henry Drayton) has charged me with inconsistency. Let me say that I have been in favour of direct taxation, but "direct" is not the only word to qualify a good tax. I never said I was in favour of direct taxation without regard to its incidence, its ease or its difficulty of collection, and a number of other considerations. Directness is not the only quality we must consider in a tax. There are two other qualities that occur to my mind as given by Adam Smith, and he has never been contradicted in regard to them. The first point is that a tax ought to be levied, as far as possible, in proportion to the ability of the people to pay them.

Sir HENRY DRAYTON: Hear, hear.

Mr. CLARK (Red Deer): That is why Germany and the United States followed the example of Sir Robert Peel and Mr. Gladstone in finding the easiest method of collecting direct taxes in the shape of income taxation. But a greater than Germany, a greater than the United States, a greater than Peel and Gladstone is here and says he discards the income tax, and introduces a lot of brand new things in the shape of sales taxes, although he evidently does not know exactly how he is to get them, because he forgot, before he sat down, to answer the most practical question I put to him as to how he was going to deal with those who had already paid, and how he would collect the taxes that remained. He does not answer the practical questions, which after all are all-important in the committee stage of business. Another elementary quality of good taxes is that, in addition to being direct, they should be easy of collection. That is another of Adam Smith's cardinal principles, and as my hon. friend has asked me for some lessons in political economy he is welcome to these primer suggestions in that direction. Has my hon. friend found this tax easy of collection up to now? The great majority of the people concerned want to prevent him from starting to collect them at all.

Sir HENRY DRAYTON: May I ask the hon. gentleman a question?

Mr. CLARK (Red Deer): My hon. friend will have ample opportunity of expressing his opinions: we are in committee.

Sir HENRY DRAYTON: I simply desire to say that they are not easy of collection. They are almost as difficult as the income tax, and I only hope they will not be as bad.

Mr. CLARK (Red Deer): My hon. friend has a short experience of the collection of income tax. After all, it has been found in those countries I have mentioned that the income tax is at any rate absolutely certain and well defined in its incidence, and that is also a point to be considered in a good tax. About the incidence of these taxes there is no certainty whatever; if a man does not buy he does not pay. He avoids taxation altogether, and there are a number of people who are taking full advantage of that avenue of escape at the present moment. But let me draw the attention of my hon. friend to the fact that if he took the advice offered to him by the hon. member for East Elgin and sharply graded the income tax up from the minimum, gradually grading down the sum at which he collected the tax, its incidence would be absolutely fair. And if he will condescend to learn something from the countries that have been imposing income tax for generations he will find that it is vastly easier to collect than this tax. I am glad to have the admission that my hon. friend does not find these taxes easy of collection.

Now, I have met his main point, and the only other point I want to meet is one in which his argument was shared by my right hon. friend the Prime Minister the other night. The thing that rather bothered me in the discussion, which I am reluctant to revive, is the contention, in support of the title, that it had been allowed to escape the notice of Parliament two years ago. Well, I would say to both my hon. friends that they do not go far back for their precedents, and if we made a mistake on a small scale two years ago that would hardly be a reason for continuing it upon the present scale of magnitude. For one thing, I have not a very great deal of respect for precedents set by this Parliament. Perhaps my right hon. friend and his colleagues would like me to tell them why. Well, if this Parliament only gets time enough it runs away from its own precedents, and so does the Government. The Government, in the person of the Minister of Trade and Commerce (Sir George Foster), introduced a resolution in favour of daylight saving and carried that measure almost nem. con. There were a few voices crying in the wilderness in protest against it, but my hon. friend the Minister of Finance was not then in the House. There were some of us who told the Government that they were getting into a sea of trouble over the matter, but they paid no attention to us. They never heed any warning until they are in trouble, and they therefore disregarded the representations that were made to them. The next year, what does this Parliament do, the Parliament that I am asked to accept as one entitled to set precedents? Parliament, by a vote of two to one, rubs out its almost unanimous vote of the year before; and I think I am therefore giving a good reason why I should not accept with any great heartiness precedents set by this Parliament, especially precedents of such recent origin as two years ago, in contradistinction to the well-established practice and knowledge of the last hundred years. My hon. friend was not in Parliament, but he was a handy man at the time. Of course, he was chairman of the Railway Commission, and the real fact of the matter was that neither Parliament nor the

Government had anything to do with the setting of the time of the country. It was being set by the railways of the United States. When it was necessary to have a precedent in this matter the hon. gentleman (Sir George Foster) changed the time. Now, clearly when the first law was established it must have been a federal law, otherwise so old a parliamentarian as my hon. friend the Minister of Trade and Commerce would never have introduced the measure and commended it to Parliament. But when the United States railways ruled in a contrary way, my hon. friend comes down, and he says to Parliament: "This is all wrong. The precedent of Parliament and of the Government is all wrong. This is a municipal matter, and you had better rub out last year's doings and proceed differently this year." And now we are proceeding two ways and Parliament is having nothing to say about it. The municipality stands on one side, the railway stands on the other. Parliament stands in the middle of the Pleiads, looking at one clock and at the other, while the Government says: "You are in the middle; you pay your money and take your choice." I hope I have given my hon. friend sufficient reason why I have not a great deal of respect for his precedents. I do not want to renew the argument upon this question of title, nor do I desire to hold up these taxes. I do not want to be misunderstood. I understand the responsibilities of the Government,, but a certain amount of parliamentary criticism is proper, and no man of the courage of my hon. friend resents it. He is able to retort in fair good style, and if he had a good case he would be a first-rate debater. He will find it is a great help to his debating powers to get his case as good as he can but I am afraid that before this thing is through he will find that his case is a very bad one. I do not want to hold this up. My hon. friend displayed some little heat. I like a man to be able to get mad once in a while even in Parliament. You remember that the Scriptures say "Be angry and sin not". But I do not like a debater to be so forgetful that he does not think of answering a practical question. I want to know what is to become of the taxes that already have been collected under his first method of procedure because I apprehend he is not going to stick to the money and keep the rest of it as well. Could he give us any idea of how far he will accede to the appeal which I have made, supplemented by my hon. friend from Waterloo (Mr. Euler), and which I dare say will come from other parts of the House? Is he disposed to respond to the appeal that these taxes shall be collected at the centre instead of from the retailers?



Sir HENRY DRAYTON: I must confess that I find it altogether difficult not to answer the appeal made by my hon. friend. I think he really wants an answer this time. I thought before that he did not. I thought before that he was not very anxious to get an answer. Perhaps I should not speak for the Government because we have not had a chance for consultation over this question which has been brought up, but personally, I am not convinced that the method proposed is not the right one. Personally, I am not convinced that our first duty is not to the customer in the shop, to the ultimate consumer rather than to the gentlemen who are in business. Personally, my feeling is that we should leave the end of the string just where we leave it whether, as my hon. friend says, the tax may or may not be paid. Just where we leave it so that the customer has the right to make an extravagant purchase if he pleases, just where we leave it so that the full incidence of the tax will fall where we believe it will fall and there is no doubt where it falls and who is paying it, and just where we leave it so that it is impossible for the merchant to make a profit on the tax. I am perfectly free to admit that the method which we propose is the easier. It is a question whether the Government should consider ease of administration, its own comfort—yes, more than that, its own popularity. It is a question whether it should consider its own popularity or whether it should consider the needs of the people and the necessity of doing everything it can to reduce cost. I know these taxes are very unpopular but I never took up the position of Finance Minister with any idea that I could be popular and at the same time act decently towards the country. I know I am making enemies every day, but I care not how many I make if I can do anything in my humble way towards pulling down costs, bettering conditions and advancing the welfare of Canada. After all is not the sense that one has done his duty to his country really better than popularity gained by doing otherwise? I do not pretend to know it all. I have been greatly impressed by a number

of the remarks which have been made. As to the collection of these taxes, we have the Department of Inland Revenue with offices to collect them all over the country. The Department of Inland Revenue will look after the collection of these taxes. The ordinary way of collecting a tax of this kind would be to treat it just the same as we treat the excise tax which manufacturers have to pay and as we treat the excise tax collected from the people that are selling whiskey. We would get from them a monthly or a bi-monthly statement. It is not suggested that the statement should cover all the sales. That statement should only cover transactions involving the payment of the tax. That would be the ordinary way of collecting the tax. It is certainly true that we would have to engage more people—a lot more people—there is no doubt about that. There is that objection to it. There is another way that is being considered to see how it would work out practically and which, if possible, would do away with the accounting question, and that is by using stamps. The merchant would have to have stamps on hand and an arrangement could be made by which he could buy them readily at the post office at any time. These stamps would have to be affixed to the Bill and cancelled. Whether that will be done I really at the moment could not definitely say but that in brief will be the method under which these taxes will be collected.

Mr. CLARK (Red Deer): With a view to helping my hon. friend on that question of stamps may I remind him that we have been collecting taxes by stamps and he himself is making an alteration in the case of drugs because of the difficulty he has had in getting the money. I heard of a case the other day where a retail druggist got $10 worth of stamps at the beginning of the imposition of this tax and he showed them to a man in his drawer still unused, the result being that the Government got nothing. In ninety-nine cases out of a hundred druggists forget to put the stamp on. If the retailers are going to forget to put the stamps on to anything like the same extent the minister is not going to get as much money out of this tax as he expects.

In regard to his courage and determination to be unpopular, let me remind him that Mr. Gladstone once said that a Chancellor of the Exchequer who was not prepared to face unpopularity in the discharge of his duty is not worth his salt because he is the custodian of the public finances and his first consideration ought to be the public good. But, in my hon. friend's extraordinary desire to be unpopular, which is somewhat abnormal amongst politicians, he should not lose sight of the necessity of getting an easy method of collecting the tax—or rather not easy but inexpensive. That is his first duty. In spite of his intense desire to be unpopular he must get the most money he can for the Government at the least possible expense.

The CHAIRMAN: This exchange of opinions between the hon. member for Red Deer (Mr. Clark) and the hon. the Minister of Finance (Sir Henry Drayton) is very interesting indeed but I must remind the committee that the amendment proposed by the hon. member for Maisonneuve (Mr. Lemieux) has been entirely lost sight of. There is an amendment before the committee and under the rules the discussion must be relevant to that amendment until it has been disposed of.

Mr. FOSTER (York): I quite realize the enormous debt of over $2,000,000,000 that we have to meet consequent upon the war. We know that it is necessary to adopt special measures, and in some cases extreme measures, in order to obtain the revenue necessary to meet that debt. We were not satisfied with the Budget as it was originally introduced, but the Finance Minister now proposes many changes in connection with it. Whether or not that is the proper and logical thing to do is for the House and the people of this country to decide. The Finance Minister proposes changes in the taxation in connection with the boot and shoe trade, the tailoring trade, ladies' wearing apparel and other trades. He proposes to do that by taxing the excess over a certain amount—

The CHAIRMAN: I must immediately enforce the rule that has been laid down. I would ask the hon. member, for the present, to confine his remarks to the amendment. When that has been disposed of he will be perfectly in order in discussing the proposed changes.

Mr. FOSTER: I would like the chairman to read the amendment.

The CHAIRMAN: Mr. Lemieux proposes to amend the present resolution by inserting after the word "that" in the first line of the first paragraph, the following words:

Except in the case of returned soldiers who have seen active service overseas and their

dependents, who shall be exempted from the said taxes for a period of five years from the date of the sanction of the Act to be based upon the present resolution.

In other words the amendment provides that returned soldiers shall be exempted from these taxes.

Mr. FOSTER (York): While this amendment may appeal to many members, and to many people throughout the country I do not think it will appeal to the majority of Canadians as a whole. We are prepared to assist the returned soldiers in every way that we can, and we have gone a long distance in that direction. In fact I think this Government has been more than generous in assisting the returned soldiers and their dependents in many ways. But when it is necessary to raise a revenue for the purpose of carrying on the business of the country, and to assist in its development, it is a question whether to grant and exemption, which will be so far-reaching in its scope, is the proper thing to do. Members have not had time to carefully consider whether they should support this amendment or not. On the face of it, however, it does not seem reasonable that we could accord the amendment support when it will have such far-reaching effect upon the revenue that we are trying to raise. I am afraid this amendment would deprive us of almost fifty per cent of the revenue that we are aiming at, and we would have to make up that deficiency from other sources. Therefore I do not think it would be in the best interest of the country to support an amendment of such a nature at this time. At the same time we all sympathize with its objects and if the financial position of the country warranted us in granting this exemption we would all be delighted to do it.

Mr. PEDLOW: I do not propose to enter upon an academic discussion of the principles of the Budget, or indeed to participate in the pleasing discussion which took place between the Minister of Finance and the member for Red Deer, but will confine myself to the amendment before the committee. There is no need, as the hon. member for Red Deer very correctly said, for any one to protest against the proposition when his sympathies are with the returned soldier and his dependents. But the amendment of the hon. member is altogether impracticable; in actual working out it would prove quite impossible. I remember very well a practice which at one time obtained in the retail trade of this country that will serve to illustrate the difficulties which would attend the operation of such a proposition. The practice in question was to give a special discount to certain privileged classes in the community. The retailers accorded a discount of ten per cent to dressmakers, to clergymen, to charitable institutions, and to the clerks in all the retail stores. Even had the privilege stopped there it would not, perhaps, have been an unmixed blessing. But unfortunately the dressmaker and her friends and her friends' friends obtained the discount and the same thing happened in the case of all the other classes who enjoyed the privilege. From my own personal experience I figured that ninety-five per cent of the retailers' customers enjoyed the privilege while the remaining five per cent, who lined up and paid the full price of their purchases and never obtained the discount, were discriminated against. The practice was discontinued and now no special favours of this kind are granted by the retail merchants. I am afraid that the same conditions that obtained when this discount was in force would be created if the attempt were made to put my hon. friend's amendment into operation. As a result of my experience in the case of the retailers' discount I cannot see my way to support the amendment.

Mr. LOGGIE: I am of the opinion that it is impracticable to put the amendment into execution. If you do not apply the taxation law to returned soldiers I presume you would have to grant a similar exemption to their families, and also to the relatives of deceased soldiers. It would be unfair if you did not carry out the exemption to that extent. Imagine, if you will, a customer buying a suit of clothes, or a dress, or a blouse, or some other garment in a large departmental store—

Mr. DUFF: Corsets.

Mr. LOGGIE: Very well, a pair of corsets. The customer notifies the clerk, "I am the wife of John Jones, a returned soldier" or she says, "I am the daughter of a returned soldier", or "I am from Vancouver and a returned soldier". Just imagine, if you please, the practical impossibility of executing such a proposal. In my judgment under all the circumstances it is not worth considering.

Mr. McKENZIE: Of course, the hon. member for Northumberland (Mr. Loggie) has said that this is an unspeakable and impracticable proposition, and I suppose that is the end of it. However, occasional-

ly we have to differ from the hon. member and decline to follow him slavishly. But the hon. member from Maisonneuve (Mr. Lemieux) was for many years a Minister of the Crown, and in experience and service in this House, although not older in years, he is a much older member than my hon. friend from Northumberland, and with all his experience and ability he has thought it advisable to put this amendment before the committee. I take the responsibility, therefore, of following in the footprints of my hon. friend from Maisonneuve and of saying that this proposal is not only worthy of favourable consideration at the hands of this committee, but that an effort should be made to carry it out. The men who served at the front and won for us the liberty which we now enjoy have earned for themselves for all time to come every possible freedom, and especially freedom from taxation of this kind. If at the date of his enlistment any soldier had made it a condition precedent that upon his return home he should be exempt from all war taxation, would not every one in this House and in the country have at once said: "Certainly, you go to the front and do your part, and on your return you shall never be called upon to pay any war taxes, for we acknowledge that you have done your part and deserve to be exempt from paying any of the expenses of the war"? Would not that have been regarded as an absolutely reasonable proposition? The Minister of Finance states that possibly the returned soldiers do not want to be exempted. Since his Budget Speech was delivered a gathering of returned soldiers in the city of Toronto considered this question and passed a resolution to the following effect:

—whereas the returned soldier and his dependents have already borne their share of the burdens of war, and contributed in invaluable services to the preservation and prosperity of the state, and whereas the recent raise in taxation as set forth in the Budget will increase the difficulty of getting re-established in a productive capacity by greatly augmenting the cost of living, all returned soldiers who have seen overseas service should be exempted from the new taxation for a period of at least five years. That the production of a discharge certificate be considered sufficient evidence of a right to this exemption. That legislation to this effect be enacted by the Parliament of Canada.

That, Sir, is a sufficient answer to the suggestion of the Minister of Finance that our returned men do not want this exemption. We have a right to suppose that this gathering of returned veterans in the city of Toronto—which contributed so much to the success of the war in men and money—expressed the true sentiments of the soldiers generally.

I am not going to labour the question, for it is clear to every one. We say that the soldier has done enough in winning the war, and that we who stayed at home should at least pay his bills while he was away. That is what we are asked to do—to exempt him from contributing towards the payment of our war debt. I have much pleasure in supporting the amendment of my hon. friend.

Amendment (Mr. Lemieux) negatived on division.

The CHAIRMAN: Shall the resolution carry?

Mr. PROULX: Before the resolution carries, Mr. Chairman, I desire to endorse the views of my hon. friends from Red Deer (Mr. M. Clark) and North Waterloo (Mr. Euler) that the tax could be more easily collected from the manufacturer and the wholesaler. There will be no less evasion if this method be adopted, and I cannot see that there would be any difficulty in putting it into practice. The Minister of Finance has spoken about stamps. Well, some retailers live quite a distance from the Inland Revenue Office, and as on some sales they will have to put thirty, forty or fifty cents they will have to keep a big stock of stamps on hand for each day's business. I favour collection of the tax from the wholesaler and the manufacturer instead of from the retailer.

Mr. DOUGLAS (Strathcona): I wish to support the contention raised by the hon. member for Vancouver Centre (Mr. Stevens) as to the feasibility of collection of certain of these proposed excise taxes. He raised the question of hats. A hat is an absolute necessity to every one in this country, but there is no distinction in the schedule between felt, straw, or canvas hats. My information is that no hat manufactured in Canada can be retailed to-day at $5; so that all Canadian made hats will come under the operation of this tax. If a man buys an imported hat—which may be economical in the long run—he cannot buy one under present day prices at less than $10 or $12, so he pays a very high price. There is another item of interest to which I desire to call the minister's attention, and that is underwear. The tax does not affect summer underwear at all, because summer underwear is made of cotton and is reason-

ably cheap and would therefore come within the exemption, but winter underwear will be taxed. This is a country that demands wool in the winter and the limit which the minister has placed on underwear will, in my judgment, compel everybody who wants to wear woollen underwear to pay this tax. Woollen underwear is not a luxury at all but an absolute necessity in this country in winter time. I notice that the minister has raised the exemption in the amended schedule to $3 a garment, but he has left the union suit at $5. Now, no one can buy a union suit that has any wool in it for $5. It might be called partially wool, but I doubt very much if there would be any wool in it. The consequence will be that every one who wears a union suit will be forced to pay this tax. So as far as that item is concerned the idea of this being a luxury tax is absolutely wiped out; it is a tax on a necessity. Now the purpose of the tax, as I understand it, is to tax luxuries only, or to get as close to luxuries as possible. As to articles of necessity, such as woollen underwear, I think the minister would be well-advised to revise his exemption list so that the people can wear woollen underwear in this country in winter without being mulcted for a fine of ten per cent.

Sir HENRY DRAYTON: If the hon. gentleman will pardon my interrupting him, I would suggest to him that we will probably gain time, and information as well, if we take up the schedules item by item, confining the discussion to one item at a time. We have had a good deal of general discussion, and perhaps the hon. gentleman will agree that that is the best plan to adopt.

Mr. DOUGLAS (Strathcona): I am quite prepared to agree to that, but I thought the whole resolution was called.

The CHAIRMAN: I hope the hon. member for Strathcona will give way to the hon. Minister of Finance for, strictly speaking, the hon. member for Strathcona has the floor and the minister cannot interrupt him without his permission.

Mr. DOUGLAS (Strathcona): I will be glad to do so.

The CHAIRMAN: Sir Henry Drayton moves that this resolution be now considered section by section, paragraph by paragraph, and item by item, and that the debate be confined strictly to the item under consideration. Is it the pleasure of the committee to adopt the motion?

[Mr. Douglas.]

Mr. FIELDING: I quite agree that there will come a moment when we can better deal with this resolution item by item. In the meantime there has been a general discussion with regard to the method of collecting these taxes, and I do not think we should be shut off at this stage from this general discussion. If my hon. friend's object is to confine the discussion to one item at a time, I think he ought to wait until a later stage and let the general discussion proceed.

Sir HENRY DRAYTON: Might not a general discussion be had after we shall have considered the items separately? It well may be that such changes will be made when we are considering the items separately that the general issue will be somewhat changed.

Mr. BELAND: Is there any likelihood that there will be more alterations?

Sir HENRY DRAYTON: You never can tell. Some hon. gentlemen are singularly persuasive.

Mr. BELAND: We understood these schedules were final.

Sir GEORGE FOSTER: There may be wisdom on the other side of the House that has not yet been uncorked.

Mr. BELAND: I have not yet spoken.

The CHAIRMAN: The motion could be amended to the effect that after the items have been separately considered a general discussion concerning the method of collection and the mode of taxation would be then in order.

Mr. FIELDING: I would not ask for a motion if my hon. friend so understands it.

Sir HENRY DRAYTON: Quite.

The CHAIRMAN: With that understanding, is it the pleasure of the committee to adopt the motion?

Mr. DAVIS: Would it not be better to have that discussion first?

Mr. CLARK (Red Deer): I endorse what fell first from my hon. friend for Shelburne and Queen's. These are new taxes of immense magnitude and of immense importance to the life of the people, as I think they will be so found in their application. Perhaps I have taken too much of the time of the committee myself, but there are other members who want to engage in a general discussion, and I do not think there should

be any disposition to check it. This is not a divorce case. We are considering taxes that affect the whole people of Canada, and I strongly support the first suggestion of my hon. friend from Shelburne and Queen's that the general discussion should not be curtailed.

The CHAIRMAN: Perhaps the committee will allow the chairman to say a word. His position in connection with the resolution, if he is to assist the committee in making progress, is a very difficult one indeed. The rules provide that when we are discussing an item in committee, the speeches must be strictly relevant to the item under consideration. When we are discussing a Bill, the speeches must be strictly relevant to the clause under consideration. When a resolution is before the committee, the discussion, unless some motion to a different effect is made, may wander from one end of the resolution to the other. If a motion is made to the effect that the general principle of this resolution shall first be debated and that speeches be limited to a discussion of that general principle we shall make just as good progress as by adopting the motion which is now before the committee. The trouble is, however, that without a motion of this nature, an hon. member will give his ideas concerning the tax upon boots and shoes, another his ideas concerning underwear, and a third his ideas concerning watches and jewellery, and all these hon. members will, under the rules, be strictly in order. I think that the discussion should be limited to the general principle of the resolution, or it should be perfectly understood that we shall first go through the list item by item, and that when that has been done, the debate will be resumed upon the general principle of the resolution before the Chair.

Mr. BUREAU: May I be allowed to say a word? Mr. Chairman says that one member will rise and discuss boots, another watches, another hats, and so on. He stated the rules perfectly correctly that when we are discussing a Bill we discuss it clause by clause. As I understand it, clause No. 1 of this resolution is equivalent to a clause of a Bill, and (a), (b), (c), (d), etc., to subclauses, and therefore under the rules any articles mentioned in a subclause of clause 1, say, could be discussed when clause 1 was under consideration, and so on with clause 2 and the other clauses. The rules do not say that a clause shall be discussed phrase by phrase, and the items in these subclauses correspond to a phrase in a section of a Bill. It would be very difficult indeed to confine the discussion to only one of the many items enumerated in a subclause, such as hats, for instance. We are discussing the imposition of a tax on certain things, and I think, as a part of that and inherent in that, there is the way in which the tax shall be collected. These are all items which are supposed to form part of this tax. Would it be considered within order to discuss the mode of collection of this particular tax, or shall we have to confine ourselves to boots and shoes, pumps and slippers, and so on, and then discuss the mode of collecting the tax?

Sir HENRY DRAYTON: I thought we had already discussed at some length the mode of collecting the tax.

Mr. LAPOINTE: I have been waiting for an opportunity to say a word on that matter.

Sir HENRY DRAYTON: I sympathize with my hon. friend; but at least my hon. friend will think the best word has not yet been said on that matter, and I do not want the committee to be disappointed for one minute. The whole thing is that we should make some progress, and there is no good going round in a circle, arguing one minute on a principle and another minute on items having regard to particular commodities or cost. I am entirely in the hands of the committee. It does not make the slightest difference to me whether we start with items now and try to get all the items into our head, to understand each of them and the point at which the value shall be left with each of them, and then perhaps, with that additional information, deal with the question of principle, or whether we agree to discuss no items at all now, but merely the principle. We must make up our minds to discuss either one thing or the other, or the discussion will be interminable.

Mr. FIELDING: I do not think it is possible to draw a sharp line of demarcation between the principle and the details. While discussing the principle, one may have to draw illustrations from the details. I do not think it is possible to avoid that.

Sir HENRY DRAYTON: I do not think so.

Mr. CLARK (Red Deer): A general discussion will shorten the discussion in committee on the details.

Mr. FOSTER (York East): The members should have an opportunity of discussing the principle in the amended Budget.

Sir HENRY DRAYTON: I withdraw the motion for the moment.

Motion withdrawn.

Mr. McKENZIE: The other evening I called attention to the fact that it would be difficult for us to make progress on these resolutions with the numerous changes proposed. I have in my hand a copy of the Budget Speech in which the original resolutions appear, but they have been very materially changed. The minister may have a copy of the resolutions as amended, but I have not, and he is speaking of one thing and I have before me another. Every member should have in his hand a printed copy of the resolutions as amended. In that way we would get along faster.

Sir HENRY DRAYTON: I refer the hon. member to Hansard, page 3446.

The CHAIRMAN: The amendments were printed in Hansard of June 9, in detail, and they are also to be found in the Votes and Proceedings of yesterday.

At Six o'clock the committee took recess.

## After Recess.

### PRIVATE BILLS.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill No. 142 (from the Senate), for the relief of Jennie Wright.—Mr. Fripp.

Bill No. 143 (from the Senate), for the relief of Alfred Charles Edwin Westley.—Mr. Fripp.

Bill No. 144 (from the Senate), for the relief of George Orville Scott.—Mr. Fripp.

Bill No. 146 (from the Senate), for the relief of Harry Davis.—Mr. Wallace.

Bill No. 147 (from the Senate), for the relief of Elizabeth Conway Murray.—Mr. Fripp.

Bill No. 148 (from the Senate), for the relief of Lockhart Pierce Sutton.—Mr. Douglas (Strathcona).

Bill No. 149 (from the Senate), for the relief of Frank Fulsom.—Mr. Fraser.

Bill No. 150 (from the Senate), for the relief of James Proudfoot.—Mr. Hocken.

Bill No. 136 (from the Senate), for the relief of James Lyon Lincoln Cobbin.—Mr. Douglas (Strathcona).

Bill No. 154 (from the Senate), for the relief of Albert Ernest Bulley.—Mr. Fripp.

Bill No. 155 (from the Senate), for the relief of Beatrice Booth Gendron.—Mr. Fripp.

[Mr. Foster.]

SECOND READINGS.

Bill No. 159 (from the Senate), for the relief of Mary Oakley.—Mr. Fripp.

Bill No. 160 (from the Senate), for the relief of Margaret Elizabeth Cooper.—Mr. Mowat.

Bill No. 161 (from the Senate), for the relief of Catherine Burfoot.—Mr. Nesbitt.

Bill No. 162 (from the Senate), for the relief of Margaret Henrietta Pettit.—Mr. Mowat.

Bill No. 163 (from the Senate), for the relief of Thomas Lindsay Thacker.—Mr. Blake.

### SPECIAL WAR REVENUE.

EXCISE TAX RESOLUTIONS CONSIDERED IN COMMITTEE OF WAYS AND MEANS.

House again in Committee of Ways and Means, Mr. Boivin in the Chair.

The CHAIRMAN: When the committee rose at six o'clock the amendment proposed by the hon. member for Maisonneuve had been disposed of, and Mr. Douglas had the floor.

Mr. DOUGLAS (Strathcona): At six o'clock I was dealing with what I considered to be the inequalities in connection with the exemptions in the proposed Budget resolution now before the committee. I was calling attention to the fact that underwear of woollen texture could not be regarded as a luxury in this country; yet under the resolution every one wearing woollen underwear will have to pay. I think we ought to consider the question as to the way in which the exemptions will work out in practice. I am not criticising the Budget when I suggest to the minister that certain changes might be made in regard to the values which he has placed on these several goods for exemption purposes. When we come to the question of woollen goods we find that an article of woollen manufacture, namely, a sweater coat, is subject to the tax from $15 up, and yet a combination suit made of wool is taxed from $5 and upwards. The question of luxury does not enter into the case at all, and I suggest that that is a great inequality. Then we come to the question of suits of clothes. A suit of clothes is exempted up to $45, while an overcoat is exempted up to $50. There is more cloth contained in a suit of clothes than there is in an overcoat, and there is more expense entailed in manufacturing a suit of clothes than in manufacturing an overcoat. I am just pointing this out so that the minister, when he brings in his Bill, will not have to amend it after it

is brought forward. There may be some other items of the same character and, as I understand that the minister proposes to discuss the resolutions item by item, I will defer any further criticism along that line until the items are taken up seriatim.

Mr. LAPOINTE: Mr. Chairman, I merely wish to submit the views of the Quebec Board of Trade and the Retailers' Association of Quebec as to the collection of these taxes. These views are along the line of the argument expressed and set forth by my hon. friend from Waterloo (Mr. Euler) this afternoon. I have heard many members since the beginning of this debate express the opinion that the best method of collection would be that the tax should be paid by the manufacturer or importer. The hon. the Minister of Finance has not given any answer to these representations and has not presented any argument why this system should not be adopted. The only hon. member who has expressed himself as opposed to that method of collecting the tax is the hon. member for North Oxford (Mr. Nesbitt), and I must say I have not been much impressed with the soundness of his argument in that regard. I think the proposed mode of collecting the tax will hit the poor consumer more heavily than the wealthy consumer. The poor consumer usually buys from the small trader. The goods generally pass through three or four hands before reaching the small trader. The manufacturer sells to the jobber; the jobber to the wholesale merchant, the wholesale merchant to the retailer, and the tax of one per cent must be collected every time; so that at the end, in many instances, the consumer will have to pay three or four per cent instead of one per cent. On the other hand, the wealthy consumer buys in large stores where the trader usually buys directly from the manufacturer. Moreover, there are many merchants—I know there are some in my own riding—who manufacture many of the articles they sell, and in these cases the tax which will be paid will certainly be less than the tax which has to be paid by those who buy from the country merchant. I wish to read the resolution adopted by the Quebec Board of Trade. It is in the French language but, as the Minister of Finance is a scholar and is versed in both languages, I think it may be read in French, only he will have to listen to me if he wants to know what I read. It is as follows:

THE SALES TAX.

A resolution of the Quebec Board of Trade.

Thursday, May 27, 1920.

Whereas the Government, by their new sales and luxury taxes, are only anxious to lower the cost of living and to restrain extravagance, and at the same time increase their revenue;

The Quebec Board of Trade, after duly considering the new fiscal policy of the Government and without the least intention of protesting against the levying of new taxation, which it deems pressing and unavoidable, has nevertheless made up its mind to respectfully represent to the federal authorities that should they fail to bring in such changes as indicated by the board, they will certainly fail to attain those two laudable objects, and moreover unconsciously countenance fraud to their own detriment:

1. Because, all things considered, the one per cent sales tax hits only the poor consumer who usually buys from the small dealer alone. Now it is known that goods pass through the hands of at least three classes of middlemen before reaching the small dealer; the manufacturer sells to the jobber; the jobber to the wholesale merchant, the wholesale merchant to the retailer, and the tax of one per cent must be collected at every stage, so that at the end, the poor consumer has to pay a tax of four per cent upon the goods he buys.

As for the rich consumer the conditions are not the same; he buys generally in the large stores, and the big merchant buys as a rule from the manufacturer directly;

2. Because the collection of these duties will certainly necessitate, in the store as well as in the Finance Department, employment of a large supplementary staff of clerks and accountants; and as there is at present a great scarcity of labour, merchants will be forced to draw new hands from the country at a time when production is everywhere so much needed; this will bring inevitably a new increase in wages and salaries and a consequent increase in the cost of living.

As we already have pointed out the new taxes on sales and on luxuries, under the present circumstances, will certainly tend to stimulate the peddling trade and encourage fraud. It is a well known fact that the small country merchants and the peddlers do not keep books; therefore it will not be an easy task for the officers of the Government to get an accounting of the sales made by these people and to collect the duties: then, they will have to meet with deception on the part of peddlers and country store-keepers.

It is a well known fact too that many merchants manufacture, themselves, goods which they retail in their own stores; these merchants will escape the 1 per cent tax on these goods to the great detriment of their less fortunate brethren who have to get the same goods from the wholesale merchants.

Therefore the members of the Quebec Board of Trade respectfully suggest to the Government to collect directly from the manufacturer or from the importer, at the port of entry, as the case may be, the taxes on sales and on luxuries. They suggest moreover to the Government to increase from 1 to 2 or 3 per cent the special duty on sales if it has reason to believe that the tax of the 1 per cent collected from the manufacturer alone will not bring sufficient revenue.

By collecting the tax on sales and on luxuries at the source of supply, or at the port of entry, as the case may be, the said duties will then strike equally every class of buyer, the collection will certainly be more efficient, and trade will not be paralyzed by the impediment and the costly annoyance of a supplementary staff of clerks and accountants.

Certified copy.

T. LEVASSEUR,
*Secretary.*

The Retailers' Association of Quebec has also sent a resolution in which the same principle is enunciated. It reads:

Quebec, May 27, 1920.

At a general meeting of the Retail Merchants' Association, specially called to consider how the retail merchants will fare following the imposition of a Federal Government tax on goods called luxuries, the following resolution was adopted unanimously:

After having studied this important question affecting seriously the retail trade and considering everything carefully and realizing the duty of every one to help this Government make good Canada's financial obligations, and animated by the best of dispositions, the Retail Merchants' Association respectfully suggest the following amendments to the proposals contained in the various resolutions of the Minister of Finance of Canada, and which are just now before the House of Commons.

Whereas there are over 500 retail merchants for every manufacturer, wholesaler or jobber, the luxury tax should be collected by them and charged to the retail merchants when they make their purchases from the manufacturer. This system would be less cumbersome, doing away with a lot of accounting and would imply less collection expenses for the Government and be easily the surest way to obtain the best results from taxation.

In the event of the Minister of Finance not granting the above suggestions, that the following changes be made on the maximum fixed prices:

No tax on muffs not exceeding $35; from $35 to $125, 10 per cent; over $125, 20 per cent. No tax on neckpieces and scarfs not exceeding $50; from $50 to $150, 10 per cent; over $150, 20 per cent.

That the prices fixed by the existing law should be made higher with the object of facilitating taxation on luxuries. We suggest that the prices should be as follows:

| | | | |
|---|---|---|---|
| Shoes (with the exception of working shoes) | $12.00 | instead of | $9.00 |
| Men's hats | 8.00 | " | 5.00 |
| Caps, men's and boys' | 3.00 | " | 2.00 |
| Silk socks for men | 2.00 | " | 1.00 |
| Neckties | 2.00 | " | 1.50 |
| Mufflers and scarfs | 5.00 | " | 1.50 |
| Suits | 60.00 | " | 45.00 |
| Coats and cloaks (men's and women's) | 70.00 | " | 45.00 |
| Shirts | 4.50 | " | 3.00 |
| Silk stockings for women | 3.50 | " | 2.00 |
| Smoking jackets and dressing gowns | 12.00 | " | 3.00 |
| Gloves (without fur) | 4.50 | " | 3.00 |
| Dresses and gowns | 55.00 | " | 45.00 |
| Ladies' suits | 70.00 | " | 60.00 |
| Fur coats | 100.00 | | |
| Velvet and silks, from | $2.00 | per yard. | |
| Lace | .25 | " | |
| Ribbon | .50 | " | |

That patent medicines are not luxuries, but in the contrary are of first necessity for the poor who are sick and for the working class. Patent medicines should not be subject to a luxury tax.

As stated in that resolution there are more than five hundred retailers for every manufacturer or wholesaler. There is no doubt that it would be a much simpler, much fairer and more practicable method of collecting those taxes if they were collected from the manufacturers or importers rather than from the retailers. In addition to that, there are in the country districts small traders who do not keep books, or only to a very limited extent, and there are peddlers who go from township to township selling to the farmers. I would like to know how the tax is to be collected from these peddlers? Most obviously these people will have all opportunities to evade this taxation. I think the representations of the Quebec Board of Trade are fair and just, and that it would be much better to collect these taxes at the source, viz., from the manufacturer or importer. I would like to know what are the reasons for the contrary, for the Minister of Finance has not yet given any argument against this mode of collection which is favoured by so many people?

Upon Sir Henry Drayton and Mr. Foster rising at the same time.

The CHAIRMAN: Mr. Foster has the floor?

Mr. FOSTER (York): I will yield to the Minister of Finance.

Sir HENRY DRAYTON: I think my hon. friend from Quebec East (Mr. Lapointe) was probably out of the Chamber when this matter was discussed before. The reasons why the obviously easy method of collection was not adopted are: First, it was felt that taking the tax from the manufacturer and from the wholesaler, rather than from the retailer, directly added to the high cost of living; and, second, the purchaser would not know he was paying the tax in connection with any article he might happen to buy. For example, if he bought boots of a certain quality he would not know that he was paying a tax on those boots. He would not know, if he bought less expensive boots that not only was he saving money but he was also escaping the tax. That the tax be put on at the source is really what the Board of Trade of Quebec suggests,—as I

gathered from the resolution which the hon. member kindly allowed me to read. Although I could not quite follow it in all its details, it seemed to me that their idea was that the tax in each case should be collected at its source. Now, our experience has been that if you collect it at its source, not only is the tax passed on but a large profit on top of it. Let me illustrate. We put a tax on cigarettes, following exactly the line of action that is now proposed by hon. gentlemen. That tax was only three cents, but because it was put on at the source, instead of being collected by the retailer from the purchaser, ten cents additional had to be paid by the purchaser for every package of cigarettes he bought. Instead of increasing the high cost of living we would like, if possible, to reduce that cost; and we know that if the tax is put on at the source, instead of being paid by the purchaser at the time he buys an article, these taxes will tend to inflate rather than to reduce the high cost of living.

Mr. EULER: Could the minister explain why he adopts this principle in some cases and not in others? For example I quoted this afternoon the matter of phonographs, pianos and musical instruments in general, and I might have added other things such as chewing gum, candy, confectionery and cameras. Why does the minister collect at the source the tax on these articles while pursuing a different policy in other cases. If it is a good plan to follow in the one instance one would think it would be a good plan to adopt in the other.

Sir HENRY DRAYTON: The hon. member's question is a perfectly proper one. But he will agree with me that there is a difference in respect to the articles themselves. There are things you have to have; there are things you can get along without. Now with respect to things you can get along without you obviously adopt the easy method which is going to get you your money without trouble. Pianos and other musical instruments, candy and chewing gum are not essential.

An hon. MEMBER: Automobiles.

Sir HENRY DRAYTON: In the same way automobiles are not essential, so we have taxed them at the source. They are things which people can get along pretty well without if they want to, and they are taxed at the source. But when you come down to essential things such as boots, clothing and the like, the situation is entirely different. Now it may be that we have not sufficiently observed that principle throughout this list of commodities. I would suggest, however, to hon. gentlemen that in considering the question of the incidence of the tax the distinction should always be borne in mind. If in these proposals we have not kept these distinctions properly in mind I think we should do so. The broad, general principle which we are trying to get at is this: To raise money in the easiest way, if you like when the raising of the money in that way is not adding to the inescapable cost of living; but when you have to raise money out of articles which are essential we think there should be no added profit placed on those articles. We think that the man who buys should know he can get an essential without paying any tax at all; and that he should have the option of paying a tax for the more expensive articles if he likes, and should then pay that tax without any added profit—either to the manufacturer, to the wholesaler or to the retailer—on that tax.

Mr. McMASTER: Might I just say a word in reply to the argument advanced by the Minister of Finance?

The CHAIRMAN: Mr. Foster, who a few minutes ago gave way to the minister, has the floor.

Mr. FOSTER (York): We know the tremendous debt which has been created in this country by reason of the war, and that we must of necessity seek fresh channels for getting a revenue to meet the demands of that debt. We also know that some of the Government's taxation proposals have created a tremendous feeling. Nevertheless, in spite of that feeling, the Minister of Finance must do his duty and collect, if possible, the necessary Revenue. For my part I do not entirely concur in his methods of raising revenue. The minister has modified his Budget to some extent in regard to the excess taxes on certain lines of business and this no doubt will be appreciated by many merchants, but in taking this action has he not created a prejudice in the minds of merchants engaged in other lines of business, for naturally they will feel that they too should be granted a similar concession and should pay tax only upon the excess price? I think the minister's action is not popular.

It has been suggested by the retail merchants that as there are only 8,000 manufacturers and wholesalers in this Dominion the collection of the luxury tax might be confined to them, in preference to spreading

the collection over some 200,000 retail merchants. By imposing the collection of this tax on the retailer the minister has created a distinct hardship, and any hon. member who has been in the retail business will readily appreciate what I say. The majority of retail merchants are not in a large way of business, and many of the smaller merchants run their stores with very litttle help. But by imposing on them the duty of collecting this sale tax you oblige them to employ extra help to keep track of this collection, and those merchants cannot afford the extra expense. The result will be that thousands of them will be forced out of business and their trade will fall into the hands of the larger merchants, who will, and can, take advantage of the public in many ways that are impossible to the smaller dealer. It is a material advantage to many small consumers to be able to do business with these smaller stores, and I have noticed that in many cases their lower overhead expenses enable the small retailers to dispose of their goods to the public at more favourable prices to the consumer than the same goods can be bought for from the larger dealers and the departmental stores. It is apparent therefore that one tendency of collecting this sales tax from the retailer will be a restriction of the retail business to the larger retail stores and the departmental stores. The latter have a decided advantage already over their small competitors, for they are able to buy in large volume and their quick turnover enables them to sell at a very small margin of profit.

I think the minister should give this part of his Budget proposals very serious consideration, and if he will take into his confidence some of these small retail merchants I am sure they will be able to convince him of the necessity of shifting the collection of this sales tax onto the manufacturers and wholesalers. The latter can very well place the amount of the tax on the price of their goods, so that the retailer will not have to tell his customers that he has no set price, but that it varies according to the amount of war tax any particular line of goods has to bear. As things are, the public will blame the retail merchant, not the Government, simply because they do not understand the situation. By making the change I suggest a great hardship would be removed from these 200,000 retail merchants as well as their customers, and no disadvantage would accrue to the Government, because there can be no doubt that the collection from the manufacturers and wholesalers will be absolutely effective and will bring in to the treasury the maximum amount of revenue at a much lower cost of collection.

Through the imposition of this sales tax the Government is the most unpopular that Canada has had since Confederation. It is unpopular because of the composition of the Cabinet and because of its doing the wrong thing at the wrong time. It has shown much extravagance at a time when there should be rigid economy. The Budget and the method of collecting these new taxes will I am afraid, wreck this Government unless modifications are made in time. The unpopularity of the Minister of Finance and of his colleagues is going to create trouble, and it is just as well that we should talk plainly and warn the Government in time before it gets on the rocks. We know from the large deputations coming to Ottawa that our business men generally are dissatisfied with the excise and sales taxes, and by this time surely the minister ought to be convinced that some other method should be adopted which will bring into the treasury a revenue equal to the amount that he hopes to get under this system and at a much less cost.

The biscuit manufacturers have made representations to the members of this House and to the Government against the imposition of a special tax on sugar-coated or powdered biscuits, which will affect only a part of the biscuit industry. It may seem a small matter, but to the biscuit manufacturers it is of great importance, and they say that if the tax is enforced it will throw hundreds of their employees out of work. They have suggested, and I think it is a reasonable suggestion, that instead of confining this tax to a particular line of biscuits it should be applied to all sweet biscuits, so that there would be no discrimination against certain manufacturers, and at the same time a larger revenue would accrue to the treasury.

Then we have the manufacturers of musical instruments who have made representations to the minister in regard to the manner in which their business will be prejudiced by some of his proposals. Already in Toronto two large musical instrument factories have been closed down. There are hundreds of men out of employment to-day on account of the Government adopting this method of collecting the revenue. The exemption is up to $200, but to limit it to that will mean the manufacture of a very cheap instrument of much inferior quality and of less

service to the public. If the exemption were increased up to $400 a far superior instrument would be manufactured. It is contended that any piano costing more than $200 is a luxury. I do not consider a piano a luxury, but a necessity, in the homes of the working people. Every member of this House who has visited the homes of working people of this country knows that ninety per cent of them have musical instruments in their homes, either a piano, an organ or some other instrument. I have known many families with three, four and five partly-grown children spending the most entertaining part of their lives in enjoying music in their homes. Take the music away from their homes, and what becomes of these young boys and girls? We all know how music charms and how a musical evening will keep young people home. All of us who have heard the excellent music at a church service or at public gatherings know how soothing it is. How we all praise it! I say that if you take music out of the homes of the working people, these four or five half-grown children without that attraction in the home will go out and spend the evening in the streets and at cheap picture shows and other places that do not tend to the moral welfare of the family so much as having a gathering of the neighbour's children and your own at a musical evening in the home. I trust that the minister will take into consideration the advisability of making some change in this tax. If he goes on as he proposes to do, he will drive the manufacturers out of business, and therefore he will have no opportunity of collecting this revenue. It might result in cheaper instruments being manufactured, but that would be a disadvantage to the people. I trust, therefore, that the minister will raise the exemption to not less than $400, so that he will not drive out of Ontario and the city of Toronto the working men who are engaged in these industries.

The Electrical Supply people have also put forward very strong arguments why they should not be taxed 20 per cent. I do not know whether the minister has been convinced by their arguments, but I certainly sympathize with these people as well as with other manufacturers. The poor man who has built his home must equip it with electrical fixtures, especially in the large cities where electricity is supplied so cheaply and where it is such a convenience to the householder. This tax will mean that the electrical fixtures for the ordinary home will cost from $30 to $35 extra. Now, that is a very great hardship on a poor man, and he will have to go back to the old antiquated method of lighting by gas or candle. We should help the working men to progress, not go back. This Government should assist these people to get the modern methods of lighting in their homes, rather than impose this tax upon electrical fixtures.

The fur manufacturers have also put forward very strong arguments. We know how necessary it is in this northern country to have furs for our comfort in winter. Last year we had a severe winter of four or five months. What a hardship this taxing of furs will be to the people of this country who need furs in winter time. This is another matter which should be given serious consideration. It concerns raw materials produced in our own country, and I trust the minister will reconsider the tax he has imposed on these articles.

The Minister of Finance remarked that we must conscript the business men of Canada to collect the excise and sales taxes for the Government. It is one thing to conscript them, and another to get results. The Government has had experience of conscription in the past, and I think this latest form of conscription will be just as unpopular. The minister should have got away from that method, but if he must conscript the business men of this country he should have required only the manufacturers and the wholesalers, not the retailers, to collect the tax.

Here is another instance of the tremendous effect these taxes are going to have on industry and the development of our country:

> The Canadian Columbia Graphophone Co., Limited, which, in good faith, believing that Canada offered ideal conditions for the manufacture of grafonolas, graphophones and records, bought the plant of the Canadian Aeroplanes, Limited, located in Toronto, on Dufferin and Lappen streets, which occupies 235,000 feet of floor space, for $600,000, paying Canadian people this money.
>
> They are spending $2,000,000 on an equipment; and were planning to spend $3,000,000 for materials, when, like a bolt from the blue, came the announcement of the removal of the 7½ per cent special import tax, and the imposition of an excise tax, that, when examined, clearly defined all the instruments and articles produced by the Canadian Columbia Graphophone Company as luxuries, thereby handicapping the firm by an excise tax of 20 per cent.
>
> Realize what this means!
>
> This great Canadian undertaking is halted to see what will be done.
>
> Orders have been cancelled for thousands of instruments, and labour is being laid off; and a great Canadian plant, which would soon have been in full blast, giving employment to 4,000 people and a living to 10,000 people, with a pay roll of $120,000 per week, or $6,000,000 per year, held up indefinitely, and Canada, the

land which has in the past made special pleas for the establishment of just such an undertaking as this, loses a large and paying industry, and Canadians are thrown out of employment. * * * The wages in Canada are higher. Take, for instance, the Columbia companies pay the following:

In U.S.A., carpenters, 65c per hour; Canada, 80c per hour.

In U.S.A., millwrights, 65c per hour; Canada, 75c per hour.

In U.S.A., toolmakers, 90c per hour; Canada, $1.10 per hour.

In U.S.A., labour, 42c per hour; Canada, 48c to 50c per hour.

In considering the carrying on of this industry in Canada, these facts must be borne in mind. It only goes to show more clearly the necessity for protection.

We see now the great disadvantage that concerns of this kind will be under which purpose spending some $6,000,000 a year in wages. We are handicapping that industry, possibly driving it out of business. We see the disadvantage this is to the progress and development of this country, and we do not want to do anything that is going to hinder or prevent that progress and development. We are always boosting, praising, advocating, methods of development and encouraging manufacturers to come into Canada and invest their capital in order to help build up and develop this great country and make use of its millions of dollars' worth of raw material. This is a concern of that character which wants to use raw materials of various kinds in order to supply the people of this country with instruments which will create pleasure and enjoyment in their homes and promote contentment and good citizenship. Therefore, in considering the various matters that have been presented to the members of this House, the Minister of Finance should seek to do away with anything that might be the means of hindering the development and growth of this country or of creating further unrest, and to do everything that will assist in making the people of Canada peaceable and happy. I trust the minister will take into consideration the various arguments and suggestions that have been drawn to his attention in connection with the Budget. There is no doubt that he must have been convinced to some extent by the arguments of hon. members and the various deputations who have presented their cases to him, because he conceded a very great point, namely, the "excess" tax on many articles. In doing that, however, I am afraid he has created a prejudice along other lines, because he has not made that principle apply generally. It should have been made general or the method should have been changed completely. I would advise a change in the method of collection from the retailers to the wholesalers and manufacturers, or that some better proposition be worked out, but we should get away from the present method. As I have said, it is unpopular, and if we were forced to the country at this moment, the impression this tax has created might have a considerable effect on the result.



Mr. EULER: A few minutes ago I asked the minister to explain why he adopted the plan of collecting taxes at the source of supply in some instances and from the retailer in others. He said that that was a fair question and he answered it in this way, that those taxes which were collected at the source of supply were taxes on non-essentials, and perhaps the word to some extent applied to the commodities which he mentioned. I would not, however, for one moment admit that at least one item included in the list of articles which he classed as non-essentials is a non-essential, and that one is medicine. But I am not going to dwell on that except in so far to point out an inconsistency there. But if it be true that this tax is to be collected on what the minister calls non-essentials, I suppose it ought to follow that the method which he adopts in taxing the retailer is to be applied to things which are essentials. The minister nods in assent to that. I should like to ask him whether in this list upon which taxes are collected by the retailer in order to avoid pyramiding of profits, he considers the following articles essentials:—embroideries of silk, velvets, velveteens, plush and silk fabrics, cut glassware, ivory-handled cutlery, clocks, cigar and cigarette holders in excess of $2.50; oriental rugs, gold and silver-handled pocket knives and pencils; gold, silver, ebony and ivory toiletware. Perhaps that is sufficient for the purpose of my argument. I contend that those articles are not at all essentials, and I cannot see any reason why those, as being non-essentials, should not be included in the same list on which taxes are collected at the source of supply. I would go just a step further. The minister has now adopted the principle of collecting a tax only on the excess value of certain articles, that is, he makes the tax apply at the point where those articles become luxuries, as I think they have been termed. If the tax is to be applied only on things which have become luxuries, such as trunks in excess of $40 each, purses and

pocket-books in excess of $2 each, and many other things, even including wearing apparel after it reaches a certain point, I do not think that ought to be any consideration as regards the method of collection, namely of collecting the tax through the retailer.

I should also like to point out to the minister that the final cost to the consumer will become greater than it otherwise would be if this tax is collected on goods at the source of supply. I am strongly of the opinion that the retailer who is going to be put to all this expense and trouble will see to it that he is reimbursed for that expense and trouble, and the article will cost just so much more to the consumer.

Mr. BALDWIN: If I am any judge of the arguments that have been advanced, the hon. member for Algoma East (Mr. Nicholson), the hon. member for Brantford (Mr. Cockshutt), and the hon. member for Beauce (Mr. Béland) gave the best evidence that I have heard in this House why this tax should not be collected from the retailer. There are, let us say, 200,000 retail merchants in this vast country, more than half of whom are very small traders keeping general stores. Probably 50 per cent of them are endowed with keen minds, but are deficient in bookkeeping. I have been in trade for forty years, and I know something of what the small country store is. There might not be in such a store any article that will be taxable with, perhaps, the exception of ribbons. The hon. member for Beauce (Mr. Béland) mentioned that the sale of a yard of ribbon costing fifteen cents will compel a merchant to make out a monthly report for a cent and a half. That will be a great effort for the merchant, and the Government will secure very little revenue.

There are ways of avoiding this tax. Who is going to collect the tax from the pack-pedlars, the one-horse pedlars, the four-horse pedlars, who are going throughout the country now selling clothes, shoes and other commodities and who do not pay anything for the upkeep of schools, even for the upkeep of the roads on which they travel?

9 p.m. There is another person who will endeavour to evade this tax. I refer to the favoured few. The wealthy person will go past the retailer down to the wholesaler or manufacturer and will purchase expensive goods there. It can be proved to-day that in the city of Toronto a lady was seen in a wholesale drygoods store buying large quantities of silk by the yard.

Let us see how this tax will affect those 200,000 retailers if they have to make monthly reports. I will ask the minister if this report is supposed to be made at the end or the beginning of every month? The minister gives me no answer. I say, Mr. Chairman, that the collection of the tax in the way the minister proposes will necessitate the employment of an army of clerks in Ottawa and the amount of revenue that will be derived from these retail merchants will not be enough to pay the expenses in connection with the auditing of the accounts. This is going to add thousands of employees to the Civil Service, to say nothing of the enormous scale on which evasion will be practised. I see that the minister is not paying very much attention to the discussion and I suppose it does not amount to much, so far as he is concerned. Let us consider what a vast number of clerks it will take to audit these two hundred thousand monthly accounts, and we can easily form some idea as to the expense the collection of this tax will involve. Do you imagine for a moment that fifty per cent of these people will contribute enough to the treasury to pay the clerks who will be engaged in auditing the accounts? The minister's colleague, the Minister of Marine (Mr. Ballantyne), has built up a business, and he must know that what we need in business more than anything else is to see that our revenue is not eaten up by overhead expenses. The hon. member for North Oxford (Mr. Nesbitt) referred the other night to retail merchants doing business of $1,000-odd a day. Why, Sir, apart from the large departmental stores in Canada, there are not a score of merchants in the country who do business of such dimensions. Indeed, many merchants do no more than a thousand dollars' worth of business a month, and they handle everything from a needle to an anchor, including grindstones. I can only see a mass of trouble ahead of the minister if he is going to collect the taxes in this way. Every wholesale house throughout the country has a good accounting system. It keeps a bookkeeper who has a perfect system of accounting, and it is in every way equipped to keep every sort of record. And the importer has a bonded warehouse and can easily add the taxation to his invoice. In this way you would get your money in a lump sum, and while it would be considerable its collection would require only one-tenth of the time and clerical work on the part

of the civil servants which would be necessary if the proposed system is followed.

I would suggest to the minister also to lower the valuation of the goods on the manufacturers and importers say 25 per cent more than on the retailer; and possibly there might be exemptions in regard to goods going to hospitals. I have listened attentively to all that has been said in the discussion of this subject and I have so far failed to hear one argument that really justifies the minister's proposal in regard to the collection of the taxes. The minister says that we need money. We all know that, and I do not think that any one has attempted to gainsay the fact. I have not heard any one advancing the argument that there should not be a system of taxation. Matters of detail may have been discussed, but I have not heard any one contend that we do not need to raise money. But the question in dispute is as to the method of collecting that money, and I say that if this proposed system of collection is put into operation it will be the greatest mistake ever perpetrated in this country. I was told that a lady went into a store to buy a $12 hat, but when the merchant said that she had to pay $1.20 upon it she declined to have it; and the same thing applies to shoes and boots.

Now, Mr. Chairman, the minister should realize that it is important to have retail merchants throughout the country, because people will not be induced to go into back settlements unless they know that there are stores in those places where they can obtain their necessities; therefore nothing should be done to hamper those merchants. When the Act was passed imposing on certain merchants the obligation of affixing stamps by way of duty to the goods they sold, a great deal of trouble resulted and there was a great attempt on the part of many people throughout the country to evade the law. Now this is a monstrous mistake and the minister would de well to consider the representations that have been made to him before putting his proposal into effect. The retail merchant is prepared to bear his share of the burden, but this system will entail a considerable hardship on him. As I have said, it will require a tremendous overhead expenditure to collect this tax. As the hon. member for North Waterloo (Mr. Euler) has pointed out, the retailers of the country, under this proposed scheme, would virtually be in the employ of the Government, doing work for which they would not be paid, and you could not blame them for being antagonistic to such a proposal. If the minister is anxious to put money into the treasury, let him impose a tax on the manufacturer and the importer, and that will cover all. But this is a most stupendous and stupid piece of business, for the reason that the overhead expenses in the collection of the tax will consume all the revenue derived.



Mr. FIELDING: If the minister has definitely made up his mind to adhere to this method of collecting, I do not suppose that it is of much use to discuss the matter further. But if as he said this afternoon —and I commend him for the expression— he is still keeping an open mind to learn whatever can be learned, I respectfully say that I hope that even yet he will reconsider this matter. It seems to me that the arguments that have been advanced in favour of the present system are not strong, while the arguments in support of a different system appear to me to be almost unanswerable. There is one reason my hon. friend might advance for his present system; I wonder if it has been in the back of his head all the time and he has been too bashful to express it. If he collects this tax at the source, the source being either the manufacturer, the wholesaler or possibly the importer,—at all events the wholesaler,—he will not get the tax once but under the system that he is adopting he is going to get the tax at least three or four times. He can multiply this tax to the consumer. For my hon. friend to argue that by this system he is going to prevent an increase in the cost of living is quite beyond my comprehension. I think it is entirely a mistake on his part. Let us take an illustration. Suppose a large manufacturer is about to sell $400 or $500 worth of high class goods to a wholesaler. Of course, the tax is not imposed on the whole value of the goods. The tax is only on the excess and it is only the excess that we are now taking into account. That excess will be, say, $100—it is possible that on goods of a value of $400 or $500 there will be $100 of excess. On that excess there will be a tax of $15 when the wholesaler buys the goods. There is a tax on the profits piling up all the time but we need not stop to consider that because that is something that is created by the tax. The wholesaler pays $115 for the taxable portion of the goods. Adding to that his profit before he sells to anybody else he will sell at an advance, I will say, at the moderate rate of ten per cent. That ten per cent enters into the selling price and it is on the selling price that you are levying the tax. The wholesaler will sell those goods at $115 plus

a profit, and the tax, when the goods get into the hands of the retailer, will be at least $17.25. Thus the goods pass to the retailer. The retailer also gets his profit, and he fixes his selling price after he has added his profit. You will find that in that transaction on goods passing only through three hands—it may be through four by including the jobber—under your system, you will collect at least three taxes. But, instead of getting 15 per cent as my hon. friend proposes, the tax on these goods, passing through the hands of these three different parties, will amount to about 60 per cent, and if you put the jobber in between the manufacturer and the wholesaler, instead of that parcel of goods paying 15 per cent, it pays nearly 100 per cent into the treasury. If my hon. friend wants to get the money in that way, I admit at once that he is going to get it by collecting three or four taxes instead of one. And it all comes down in the end to the consumer. Does any one imagine for a moment that the manufacturer, the wholesaler or the retailer is going to pay that tax without adding it to his price? What was urged by so many hon. members here to-day, what was urged by the French Chamber of Commerce of Montreal in the resolution that I presented last night, what was urged by the Quebec Board of Trade in the resolution read to-day by the hon. member for Quebec East (Mr. Lapointe), what was urged by the hon. member for North Waterloo (Mr. Euler) and by the hon. member for Stanstead (Mr. Baldwin) are all arguments why the tax should be levied at the source. I admit that if my hon. friend adopts that plan he will only get the tax once, but if he says frankly that he wants to get it three or four times I can understand what he is driving at. If that is his idea, do not ask the people to believe that they are only paying 15 per cent when they are paying 60 or 70 per cent and possibly even more. I believe that is a mistake. If my hon. friend says that he has to have it, that is an argument that is understandable.

My hon. friend from Standstead (Mr. Baldwin) has not exaggerated the case when he speaks of the irritation, worry and unnecessary expenditure that will be caused to retailers by the system which my hon. friend proposes. I do not want to dwell on the situation longer. It seems to me that there is everything to be said in favour of direct taxation at the source unless my hon. friend says that he cannot get enough at the source and that he must get it over and over again in order to get his revenue. But he has not put it on that ground and I do respectfully ask him before this Bill is finally through to give consideration to the views which have been so strongly expressed to-night by hon. members of this House.

Sir HENRY DRAYTON: I would like very much to be able to follow the argument of my hon. friend (Mr. Fielding), but I confess that I am at a loss. I dare say that it may be entirely my own fault. I know he will bear with me because I desire to fully comprehend the different positions that are taken. After all, the great thing to do is to try and get at the right thing in connection with this whole question. My hon. friend starts at the source with a 15 per cent tax, he runs it down from the manufacturer or importer, to the wholesaler, jobber and retailer; and instead of it being a 15 per cent tax, the hon. gentleman says it will be more like 60 per cent. I would have appreciated that argument if my hon. friend had been arguing in favour of the proposal which has been brought down because precisely what my hon. friend says, is what would happen if we did tax at the source. It is pyramiding that my hon. friend speaks of, and I am not saying that he is not right in illustrating it. But you cannot pyramid unless you go back to the source. If you take the very last transaction, there is no room for pyramiding. I do not want to get that 60 per cent. I do not want to multiply taxes in the name of a single tax. As I understand it—I may be entirely wrong—there is no way of working the tax back from the retailer to the jobber or the wholesaler or the manufacturer. The transaction is concluded with the retailer; it is finished; it is done. It commences and ends in that one single transaction. But, on the other hand, if it commences at the source and works down to all the different forms, my hon. friend is absolutely correct; it does multiply.

Mr. FIELDING: Under the system proposed by various speakers of taxing at the source, my hon. friend would get one tax in connection with that transaction on $100. Under the system he proposes he will get four taxes, or at least three. There is no dispute about that, is there?

Sir HENRY DRAYTON: That is where I do not follow my hon. friend.

Mr. FIELDING: Each one of these transactions pays the tax?

Sir HENRY DRAYTON: No.

Mr. FIELDING: Yes.

Sir HENRY DRAYTON: Not with the luxury tax.

Mr. FIELDING: I am only dealing with the excess. I take a parcel of boots or shoes worth $400 or $500 of which $100 is excess. Of the value of that whole parcel you take $100 on which the tax is levied. When the manufacturer sells to the wholesaler there is a tax of 15 per cent, but when the wholesaler sells to the retailer there is another tax paid. When the retailer sells to the public, there is another tax paid. Am I right in that?

Sir HENRY DRAYTON: My hon. friend is wrong. I quite understand how the mistake occurred. Just at present we are only talking of this so-called luxury tax.

Mr. FIELDING: Boots and shoes.

Sir HENRY DRAYTON: Quite so, fifteen per cent on the excess over the prices fixed. Now there is only the one tax paid under the proposition made by the Budget, because the tax only commences when the sale ends, with the retailer. There is nothing else.

Mr. McMASTER: It doesn't say so, does it?

Sir HENRY DRAYTON: I think it does say so.

Mr. MICHAEL CLARK: What about the one per cent?

Sir HENRY DRAYTON: Now we are getting to another question entirely. The one per cent tax is entirely different from the taxes we are now discussing.

Mr. DUFF: Not at all.

Sir HENRY DRAYTON: An hon. gentleman says "not at all" I would ask that hon. gentleman—

Mr. DUFF: The one per cent is added to the price.

Sir HENRY DRAYTON: I think, Mr. Chairman, we had really better try to stick to one resolution at a time. We are having a great deal of difficulty in dealing with that one resolution, long as it is, and we will have very much greater difficulty if we run into others. There is nothing in this resolution as to the one per cent tax. It does not touch this question at all; but to the extent that it does touch it, you multiply taxes if you bring taxes back to the source. It is perfectly true, with respect to the one per cent, that although there is a provision that tax shall not be brought into the ordinary costs of the manufacturer, it is cost to the wholesaler and it is cost to the jobber—you cannot get away from it.

Mr. DUFF: What about the cost to the retailer?

Sir HENRY DRAYTON: To the extent that it is cost to the wholesaler and cost to the jobber it is an item on which some profit will undoubtedly be charged. That being so—and I do not think there can be any room for debate about it—the other incident is also true: That if you carried back this fifteen per cent to where you start with your one per cent you get the exact result described by my hon. friend (Mr. Fielding). We have absolutely only the one tax on luxuries. It is true we have a multiple of taxes on sales on the one per cent; we have got our one per cent from the manufacturer, and we have got our one per cent from the wholesaler; and in effect what is asked —when it is suggested that we should change the species of taxation—is to take this fifteen per cent and place it first where the first of the one per cent commences, having the exact effect the hon. gentleman has pointed out. But we do not want that. That is one reason why, so far, we have not attempted to go away from the tax on the retailer, because the results pointed out by the hon. gentleman would follow.

Mr. MICHAEL CLARK: What about the expense of collection in the two cases?

Sir HENRY DRAYTON: There I agree with my hon. friend we would save, absolutely save money on taxing the source. It is just a question which is the right thing to do.

Mr. McMASTER: Might I point this out to the minister: It seems to me what the hon. member (Mr. Fielding) has said was due to the fact that he did not realize —I did not realize myself—the signification of the words "when sold separately" found in the concluding line of the first resolution before the subsections appear. But that is hardly as clear as it might be. I think you should say "when sold separately to the ultimate consumer". For instance, if you take a very expensive fur garment—I understand there are some fur garments sold at a price as high as $20,000—you could easily imagine that one of these would be sold separately by a wholesaler to a retailer, and then there would be ten per cent or $2,000 collected. The retailer might sell that garment again and then

there would be—even under the wording of this clause— another $2,000 added and the argument of the hon. member (Mr. Fielding) would absolutely fit the case. The hon. member for Macdonald (Mr. Henders) shakes his head; I think he is wrong and that I am right. The wording of the clause is:

That the following excise taxes be imposed, levied and collected on the total purchase price of the articles hereinafter specified, and on articles of clothing the said tax may be imposed upon the combined selling price of materials and cost of manufacture when sold separately.

Now let us take my fine fur garment costing $20,000. Such garments are probably not often bought in the West, except perhaps in Winnipeg, but they are sold sometimes in Montreal. Now I can imagine a fur manufacturer selling a $20,000 garment to a wholesaler, and on that sale he would charge $2,000, that is to say the wholesaler buying from the manufacturer would have to pay $2,000 on the purchase.

Mr. CHAPLIN: At what rate would that be?

Mr. McMASTER: At the rate of ten per cent. I will quite frankly say that I am taking an extreme case for the purpose of making my argument perfectly clear. Now when the fur manufacturer sells to the wholesaler, on that sale the wholesaler will have to pay $2,000, that is ten per cent in addition.

Sir HENRY DRAYTON: Would the hon. member allow me one moment—because I know that he does not wish to pursue a phantom? There is no luxury tax whatever against the wholesaler, absolutely none, and if the hon. gentleman would take the trouble to read section No. 2 also, any possible doubt which might be conjured up by a very astute lawyer like my learned friend is set at rest entirely. The luxury taxes are only on sales for consumption.

Mr. FIELDING: On the retailer only?

Sir HENRY DRAYTON: On the retailer only or the sale by the retailer to the public. "Every sale for the purpose of consumption or use." It is exactly the wording of the section. Let me read it:

That the excise taxes as imposed by the preceding resolution shall be paid by the purchaser to the vendor at the time of sale for consumption or use, or on importation for consumption or use other than for re-sale—

There is no thought of putting a luxury tax on the wholesaler.

Mr. FIELDING: In that clause the words, "for consumption or use" appear. If it means that, all I can say is that one part of my criticism is defective. There are two objections to what the hon. member proposes: One is the annoyance, irritation and trouble that will result. The other is the increase, as I thought it was, in the tax, and I think my hon. friend has not made it clear, if he means that. The expression, "for consumption" when used in the customs law means when a man takes an article out of the customs house into the warehouse. I think he will need to make that part of the resolution clear because there is a widespread opinion that "consumption" is not limited to the act of the retailer.

Sir HENRY DRAYTON: If I may be allowed one minute. I want to make that just as clear as hon. gentlemen desire. We ought not to have any dispute about it that "consumption or use" is consumption or use by the purchaser. In order to make the thing absolutely clear the words, "other than re-sale" are added. If there is anything further that hon. members desire to add to make it perfectly clear that we are only asking and only proposing to take the one tax I will be very glad to add it.

Mr. CAHILL: What is the minister reading from?

Sir HENRY DRAYTON: I am reading from the second resolution at page 34.

Mr. CAHILL: I find that under this excise tax ten per cent will also be payable at the time of the sale by the Canadian manufacturer in respect to such things as fur garments, and so on. Is that still in operation?

Sir HENRY DRAYTON: That is entirely different, as was pointed out by the hon. member for Waterloo (Mr. Euler). There are two different kinds of taxes here, some of which are brought back to the source, to which it was felt they could be brought back without real public injury and without raising the cost of living in relation to essentials. That stands, in connection with those items; it never had the slightest application to the items we are now discussing—boots and shoes, etc.

Mr. BALDWIN: If it is implied that no tax has been charged by the wholesaler since the 19th day of May, I may state that any wholesale merchant from whom I have purchased goods has charged the one per cent on the total amount of the invoice.

Sir HENRY DRAYTON: That is just exactly what I say: the one per cent sales tax. At present we are discussing the luxury tax.

Mr. PEDLOW: I submit that there is a difficulty where the manufacturer is also the retailer, and it should be cleared up right now. It is a discrimination against the retailer. If the manufacturer has the right to sell direct to the consumer—for instance, we will say a manufacturer of furs—I contend that he should at least pay the one per cent manufacturers' tax and the ten per cent luxury tax.

Sir HENRY DRAYTON: Quite right.

Mr. PEDLOW: That is the difficulty the member for Brome (Mr. McMaster) referred to.

Mr. J. E. FONTAINE (Hull) (Translation): Mr. Speaker, I have no intention of detaining the House very long; yet, taxation being levied upon necessaries of life, taxation which caused such an upheaval throughout this country and was the occasion for such loud protests, I feel it to be my duty to offer some observations on behalf of the constituents I have the privilege of representing.

There is in the city of Hull a retailers' association, a most important organization of which our foremost merchants are members, which last night, at a special meeting, passed a resolution in condemnation of the method advocated by the Government for the levying of taxation. I was confident that, having altered the system of taxation as to some commodities, the hon. Minister of Finance would agree to change the method of gathering those taxes.

The retail merchants are rightfully complaining about the trouble and expenses it is going to entail to them. To my mind, it would be fairer to have those taxes collected at the fountain head, from the manufacturer. A few moments ago, I heard the hon. Minister of Finance state that certain commodities would be taxed at the very fount of production because they are not necessaries of life, for instance, pianos, phonographs, and so forth. Mr. Chairman, it seems to me that such articles as cut glass, velvet, silk, laces, are not essentials, and yet the hon. Minister of Finance will cause the retail merchant to collect the tax upon them. His reason for so doing is by no means conclusive, since in the case of patent medicines which, far from being luxuries, are absolutely necessary, he has the tax collected from the manufacturing establishment itself.



I think that the Government ought to grant the request of all the retailers of this country. After all, Mr. Chairman, it cannot be out of stubbornness that this association ask that the burden of collecting these taxes should not rest upon them. As it was said by many hon. members who spoke before me, it might favour fraud and force the consumer to pay higher prices for, say what you may, it will always be an easy thing to humbug him.

Once again I wish to act as the spokesman of the Association of Retail Merchants of Hull who have requested me to place their case before the House; I do so with pleasure and I ask the hon. minister, in their name and in the name of all the citizens of this country, to give heed to their representations and to find a way for collecting these taxes which will not be such a heavy burden on the retailer. If the tax were collected from the manufacturer 15 or 20 per cent would be added to the price of the goods and the tax thus paid by the wholesaler at the time of his purchase; he in turn would include the tax in the price of the goods when selling them to the retailer. Of course, in the long run, the consumer would pay the duty, but he would not notice it, and besides the retail merchant would be relieved of all this load of responsibility.

Mr. Chairman, I humbly submit that the hon. minister should accede to the requests of the many hon. members, who are only voicing the sentiments of the country when they ask that a different system be devised for the collection of this tax. We are not criticising the tax itself at the present time; we understand that it must be imposed, that it is absolutely necessary as things stand to-day; however, it is unfortunate that the Government should have led the country into this position—I understand that this question cannot be discussed in committee. Besides I mentioned this in my speech on the Budget, when I reproached the Government with having put us in a position where the imposition of these taxes is a matter of necessity. If there had been more economy, less extravagance, less scandal, we would not find ourselves in this position to-day; however, since the thing is done, I think the Government should at least do its utmost not to make things so hard for certain classes of the community and not to overburden the retail merchants whose time must be given entirely to their business and who should not be forced by the Gov-

ernment to act in the capacity of tax collectors.

Mr. COCKSHUTT: It appears to me that the minister is quite correct in his description of the collection of the tax, that is, through the method he proposes it is obviously to be collected only once, and that from the retailer. There can be no doubt of that because the words "sold separately" occur in the first clause, and the second clause makes that even more distinct. So I think my hon. friend from Shelburne and Queen's (Mr. Fielding)—with whom I agree on some other points—is not correct in saying that the tax would be passed on three or four times before the final sale. I suggest to the minister, however, that I am still very strongly of opinion that it is highly desirable for him to change the mode of collection. I stated that the other day, and when the member for North Oxford (Mr. Nesbitt) challenged me on the point of my proposed change raising the cost of the commodity to the consumer, I said undoubtedly it would, because if the tax is collected at the fountain head it would have to be passed on, and it would be passed on on each invoice. But instead of being collected from 200,000 people, as is proposed here, the tax would be collected from 7,000 or 8,000 people. The accounting system of these 7,000 or 8,000 would obviously be accurate, and the department could walk in there and be sure they were getting all that was coming to them, because all these people are almost obliged under the laws of the country to keep an accurate account of every sale, and everything has to be audited by competent men. But these conditions do not obtain with the retailer. As my hon. friend has pointed out, there are tens of thousands of merchants in this country who are not doing $1,000 worth of business a day, or even a week, and many of them not even in a month, and it is unfair and unreasonable in my judgment for the Government to impress 200,000 men into the service of the country to collect taxes for which work they receive no remuneration whatever. They will be put to a very great expense. My hon. friend from North Oxford said $5 would cover it. If he had said $500 he would have been short of the mark, and so far as the large establishments are concerned it will be nearer $5,000. I say it is scarcely right to impress these men all over the country, and some women—for there are women shopkeepers—into the Government service without any remuneration. Further, it puts every one of these vendors into the position of possibly offending their customers, and that is a very undesirable thing. If there is one thing above another that a merchant tries to avoid, it is to offend anybody who is trading with him. He would do almost anything rather than that, because an offended customer means a loss of trade. It is a very unpopular thing to be a tax-collector; that is admitted by all. It is bad enough to pay taxes, but I believe it is worse to collect them. From the abuse I have heard some tax-collectors get around different parts of the country, I am sure their position is no sinecure. The minister has made it clear to my mind that there are some valid reasons why this tax should only be collected once, and if it could be done by the wholesaler I think that is the most desirable way. I admit that if the tax is collected at the fountain head it will be passed on and the result will be that the customer will pay more than the Government will receive. There is no doubt about that. It is very much like a man buying a barrel of spirits and instead of paying a duty of $2 a gallon on the forty gallons, collecting the tax over the bar on every glass sold out of that barrel. That is practically the principle the minister proposes to follow. We are going to have 200,000 tax-collectors. The retail merchants, who have gone on record in this respect, have stated that they do not think they should be impressed into the Government service in this way. They say they are willing to do all that is reasonable, but I submit to the minister that it is not in accordance with British fair play to impress 200,000 people, who have their living to earn—I was a merchant for a good many years and I know that they do not get their money any too readily—into the Government service in this way without any remuneration. These retail merchants lose a great deal that is on their books and some of these luxury taxes will be lost on the books of these firms as soon as they are put on. The Government will also want a statement from every retailer. Now that cannot be prepared readily. Some merchants are not expert accountants. In the old days many of them did not keep books so far as cash was concerned. If they had money in the bank and in their pockets they did not worry. The larger establishments, making up about ten or fifteen per cent of all the stores in the country, have very good accounting systems. That remark, however, does not apply to the average retailer. Therefore, we cannot expect them to comply with the requirements of the depart-

ment very readily and without a great deal of trouble and considerable expense. Though by this method I am suggesting the taxpayer would pay a little more, he would pay it without knowing it, but under the method proposed by the minister he is going to be confronted with the tax every time he buys. The minister says that that is what he wants. Well, he will certainly bring it home to the buyer, but it will not be very palatable to him. There is many a man who takes a dose without knowing what is in it, and what the results will be, who would have hesitated to take it if he had known the consequences. It is the same with this tax. It is going to be unpalatable in its present form, and it is going to be difficult to collect. It is going to put on those who pay the tax into the treasury the obligation of collecting taxes from their clients, whom they want to be their best friends. The minister has expressed himself as having an open mind on this question, and I believe he has. That benign smile of his shows that he has a very warm spot in his heart for the argument we are putting up. I do not want to use any undue pressure, or to make any threats, or do anything of that sort, but I do appeal to the minister in the interests of the people as a whole, and of the merchants in particular, and their customers too, to reconsider the method of collecting the tax. I believe my hon. friend from Red Deer will admit that if a man is paying a tax that he does not know he is paying, it is not half so unpalatable.

Mr. CLARK (Red Deer): I always know.

Mr. COCKSHUTT: There are some who do not. I have paid a good many taxes without knowing it, and I say that is the most palatable way to pay them. I submit that in all justice this should have the serious consideration of the minister and the Cabinet. I believe that if they will weigh the pros and cons carefully, they will come to the conclusion that the wholesale method of collecting the tax is better than the retail, and that the smaller the number of people to whom they have to go, the less trouble they will have. These larger firms have accounting systems on which the Government can rely, and they will collect the tax once for all, so far as the Government is concerned at the fountain head, which seems to me the proper place.

Mr. PEDLOW: I am sure the House must be delighted with the minister for bringing on this discussion, if for no other reason than to hear the confession of the hon. member for Brantford of his conversion from his protectionist ideas. He has declared himself without doubt and beyond question to-night, and I sincerely trust that he will not have reason to change his attitude on some other occasion. I remember an occasion not long since when he appealed to the former Minister of Finance to "have a heart." To-night he almost looked as if he was asking the present Minister of Finance to "have a heart," though in another direction altogether. I shall not attempt to give the reasons for this.

In the Budget speech the Minister of Finance defined very clearly his attitude in regard to these taxes. In this printed copy of the Budget speech, in the part which the editor has headed "Luxury Taxes" I find this opening sentence, which is very convincing to me at least:

> Not only is more revenue necessary but extravagant and luxurious expenditure ought to be checked. Just so long as expenditure on non-essentials and extravagant expenditure continues, just so much longer will the drop in the value of essentials be postponed. On those having income more than necessary for properly maintaining themselves and families, there rests a special duty of saving whenever possible and in this manner adding to the available financial resources for development and for industrial undertakings. Extravagant buying should stop.

Since these Budget proposals have been brought down the minister has stated many times in the House and elsewhere that he is prepared to stand or fall by them as introduced. That is the principle of collecting from the retailer on certain specific articles and from the wholesaler on others. I may say at the outset that I am sorry the minister has taken that stand, because I would have preferred a different method of collecting the tax. Just the same, it is my desire that the minister shall get down to business as soon as possible, and it is not my intention to delay the committee very long on the present occasion. I may assure the committee at once that it is my intention to give the minister all assistance necessary in order to put this schedule into workable operation. I want, however, to go on record at the same time as to the method I would suggest if I had the say or if I had been consulted in the matter before it reached this stage.

The hon. member for Shelburne and Queen's (Mr. Fielding) has taken exception to this method, as have also many other speakers who have preceded me in this dis-

cussion. Some of them have claimed that one method would be preferable and some, another, for reasons assigned. I am sorry I cannot see eye to eye with my hon. friend (Mr. Fielding) in the method he suggests, and the same method has been suggested by the hon. member for Brantford (Mr. Cockshutt). The argument will not stand analysis to any great extent. The proposition made by my hon. friend is that the tax shall be collected at the source of supply. Let us see what that means, taking the simple tax of one per cent on sales. I take for my illustration a raw material, say wool. The wool broker imports a quantity of wool, on which quantity he pays to the Government a tax of one per cent, and I will take the figure of one dollar. The broker passes that on to the manufacturer, and, of course the broker will charge a reasonable profit on that one per cent tax; he will add it to the price of the material. That means that the manufacturer will pay the broker $1.25 for that one dollar's worth of tax. The manufacturer, of course, will add on one per cent he has to pay to the Government plus his profit. That means $1 on to the $1.25, or $2.25, plus the manufacturer's reasonable profit which will be 56 cents, making a total cost from the manufacturer to the wholesaler of $2.81. The wholesaler adds on his one per cent which goes to the Government, plus his profit, which, on a moderate estimate will be at least 25 per cent, and sometimes it is more than that. The wholesaler finds that he has an item of $3.81 to account for, to which he adds his 25 per cent profit, or 95 cents, making a total of $4.76, the cost to the retailer. The retailer in turn will pass that on to his customer with his profit added. I can speak from experience and I know with certainty that the retailer who adds a mere bagatelle of 25 per cent to the cost of his commodity—in the case I have assumed that would represent $1.44—will find that an item of one dollar which the broker paid to the Government in the initial stage has risen, through the process of transmission from one stage to another, to the total sum of $6.20 when it reaches the consumer. This, in a nutshell, means that the Government will receive the sum of $3 which amounts to $6.20 by the time it reaches the consumer. In other words, out of $6.20 paid by the consumer for the tax item on the merchandise purchased, the Government will receive only the sum of $3. That is a good argument against collecting the tax back at the source of supply, because if you collect the other tax as well as that at the source of supply, it will also multiply in geometrical proportion as it goes from one stage to another. I am not, therefore, in favour of this system of collection. I know that this system has been endorsed by the Retail Merchants Association,

10 p.m. but they are only a body of men who perhaps have not considered this matter as fully as they might have done. A few weeks ago they were in favour of another system, and perhaps tomorrow they will be in favour of a different system from the one selected to-day.

I might say at once that I am in favour of a "tax on turnover" or "a tax on sales," and that would undoubtedly be the ideal system. It would be simple in operation and inexpensive to collect, and it would give the Government the maximum of returns for the minimum cost. Further, the maximum of collections would be received by the Government at the least cost to the consumer.

The proposition as it is before the committee at the present time embodies several systems of collection. The principal method of collection which has engaged so much attention since the Budget was announced was the excise tax collected by the retailer from the consumer; but we have, too, a tax on the total amount of the specific item, also a tax on the amount in excess of a specific amount, and a tax on the total amount of certain specific articles, as well as a tax collected by the retailer from the consumer, and a tax collected from the importer or manufacturer on certain other items on the list as the case may be. We have all these systems embodied in this amended resolution; but, notwithstanding all this, the minister has determined that he is bound to stand or fall by the system; that conclusion he has enunciated before the committee. There is no use wasting any further time with this discussion; but nevertheless, I wish to show further the reasons why I prefer the "sales tax" or tax on "turn-over" to the tax on so-called luxuries and so forth, when collected either from the importer, manufacturer, or retailer.

The United States have had a luxury tax in force during the past year from the first of May last, and their experience should be some guidance to us. I may say that the system adopted by them is somewhat different from that adopted by the Minister of Finance. Their system applies entirely on the amount in excess of a specific amount named in their schedule and their list of items is not nearly as large as the

list of items named in the resolution under consideration. They estimated that their collections from this source would amount to the large sum of $203,750,000 in a year's operations; but instead of that, the total amount received by them in the first five months was only $7,604,029.67, so that the luxury tax system in the United States is a complete failure and not a success from any standpoint. I find, too, at the present time that they are about to repeal that system and to adopt the sales tax, the system that I am in favour of. I have in my hand a copy of the "Dry Goods Economist" of New York, the issue of May 15, 1920, in which reference is made to that point. It says:

> Excise sales tax is discarded. A definite decision was reached by the Ways and Means Committee this week to abandon entirely the proposed sales tax as a means of raising revenue.

I also find that several other publications in the United States and Canada have made reference to the same point. I find a very excellent article in the Ottawa Citizen of April 19, on this subject. It refers to a Bill that was introduced in the United States Senate by one of the senators from the State of Utah, and as this article is worthy of being placed on Hansard, I will beg the patience and attention of the committee while I read it. It is illuminating, and it covers the ground so thoroughly and in such a brief space, that I think it is worth while placing it before the committee. This article reads in part as follows:

> That there will be radical changes in the incidence of taxation is not likely in the British budget. On the other hand there is arising a strong agitation in the United States for the imposition of a form of direct taxation known as a "sales tax". This involves a tax of one per cent on retail sales, a definite tax on consumption and use. The rate would be so low that no attempt would be made to abuse or defraud the consumer. Senator Smoot, of Utah, who is introducing the measure in the senate, declares the sales tax to be simple and definite in its application. Its collection would require no complicated system of bookkeeping, no maintenance of attorneys and experts and comparatively little expense. It would not necessitate any new army of government employees. The Utah senator outlines the results of his plan as applied to commodities as follows:

This is illuminating and it should be of interest to the committee, if not immediately, at least in connection with subsequent Budget discussions.

> "I have said that a sales tax on retailers sales to the consumer at 1 per cent would produce at least $1,000,000,000 per annum. But if the same 1 per cent were imposed on all turnovers, from producer to wholesalers, and on through distribution, then the amount produced is calculated at fully $3,500,000,000, and probably $4,000,000,000.
>
> "Add to that a tax of 1/10 of 1 per cent on all real estate sales and stock exchange transactions and $1,580,000,000 more would be produced.
>
> "If additional taxes are required, it is at least worth while to consider some of the possible sources of more revenue. Here are some items:
>
> "A tax of 3 cents a pound on coffee would raise $120,000,000.
>
> "A tax of 2 cents a pound on sugar would raise $190,000,000.
>
> "A tax of 3 cents a pound on coffee would raise $45,000,000.
>
> "A tax of 2 per cent, on gross receipts of interest, dividends, rents and royalties would raise $90,000,000.
>
> "Increased taxes on cigars, cigarettes and tobacco, say 66⅔ per cent increase on cigarettes, 25 per cent on cigars and 33 per cent on tobacco, would raise $114,000,000.
>
> "Beyond that, to abolish the $2,000 exemption in the corporation tax, would raise $58,000,000."
>
> Realizing that such a tax is a radical departure from any other system of taxation now in use in the United States, a campaign of education is deemed necessary by its advocates. This is already under way and such noted financiers as Mr. J. S. Bache, the New York banking authority, and others, are advocating the adoption of the sales tax and explaining how it operates.

I shall not read the rest, which is merely eulogistic of the United States finances. Let me say, however, that these various sums added together come to a total of $6,197,000,000. Now, the population of the United States is, I understand, roughly speaking, 100,000,000, and we have a population of 9,000,000.

An hon. MEMBER: Eight millions.

Mr. PEDLOW: Perhaps it is eight millions, but let us say 10,000,000 for the sake of convenience in calculation. Suppose we took one-tenth of the returns of the United States, we should have a revenue of $619,700,000. So that you can easily see why I am enamoured of a proposition of that kind. It looks to me like easy money, and we all know how earnestly the Minister of Finance has tried to impress on us the need for money in this country. We do not need his forceful arguments in that respect, however, we need only the facts to convince us that money is an absolute necessity and that the country must have it, and I think the shortest method we can adopt should be the best.

Mr. MICHAEL CLARK: Would it do for this Government to have so much money to spend?

Mr. PEDLOW: Well, it would be a good thing for the country to have that much money. Now, Mr. Chairman, in looking

over the Budget Speech of the Minister of Finance, I find at page 16 of the report as printed by the department that the revenue anticipated during the current year is $381,000,000 odd; the expenditure is $549,000,000 odd, and the deficit $168,000,000. These are the figures, roughly. They may not be absolutely correct, but that is my reading of them and if I am wrong I trust the minister will correct me. Now that seems to me to present a huge problem for the Government and the country to face, and if we could adopt a system such as is described in the article I have read I could see daylight through the difficulties that are now facing us. I shall not detain the committee much longer, but I desire to refer to one or two of the main objections that have been advanced by some hon. gentlemen. The Minister of Finance has been kind enough to admit that the explanation which I gave to the hon. member for Brome (Mr. McMaster) was correct; that is to say, that where a manufacturer sells direct to a consumer then the tax of one per cent and the excise tax, or whatever else you choose to call it, is paid at the same time. There is another proposition that might be considered in that connection, and I gather from what the Minister of Finance has said that he either has dealt with it or intends to do so. I refer to the case where a manufacturer sells direct to the retailer. In cases of that kind, the retailer who is in a position to buy direct from the manufacturer or import direct from the original sources in the manufacturing centres of the Old Land will be at an advantage of two per cent over the smaller retailers throughout the country. That feature should be considered and attended to. There are a few items in the schedule to which I would call the attention of the minister, and I shall run over them briefly so that the committee may know what they are. I find in the list originally prepared—whether it is correct or not I am not sure— that the Minister of Finance has placed a tax on ham and bacon while he is placing sausages on the free list. So far as this article of food is concerned, I must say that I differ from Mark Twain. Mark Twain said he liked sausages because he knew what he was eating, and for the same reason I do not like them. I should like to know why the department decided to make sausages free, while taxing ham and bacon. Then I find that baby foods and breakfast foods are taxable, while food for cattle and hogs is free. That seems remarkable. Then there is an amendment in regard to ribbons. Ribbons are changed and an exemption is provided in that case. He exempts typewriting ribbons.

Mr. McMASTER: Will that apply to the ribbons worn by stenographers?

Mr. PEDLOW: I am coming to that. A certain lawyer in the town of Renfrew was going to the city and he made up a list of his requirements before he left home. Unfortunately he left his note-book on the dresser and went away without it. His wife discovered it and amongst the entries was "ribbon for typewriter." It is easy to understand that he got in wrong.

Mr. CLARK (Red Deer): Explain.

Mr. PEDLOW: Perhaps the hon. member for Brome can explain that. I am merely stating a situation that occurred in Renfrew, and I am sure that lawyers there are not different from lawyers in Montreal or elsewhere. I notice in the amended schedule a great many items that have had the attention of the Minister of Finance since the resolution was first introduced in the House, and which I think require close consideration. Perhaps I had better leave those until we come to the several items. I approve of the appeal made by the hon. member for Centre Vancouver (Mr. Stevens), and the hon. member for Strathcona (Mr. Douglas) in regard to hats. That is a matter that deserves the serious attention of the minister. Hats should be classed among the things that are really essential articles of clothing in this country. A man may wear a straw hat like the hon. member for Red Deer (Mr. Clark) and the hon. member for Marquette (Mr. Crerar) in summer time, but these would not be very comfortable on the western plains in winter time. They will want to buy felt hats of a good quality.

Mr. CLARK (Red Deer): My hon. friend did not find the western plains very comfortable when he went there.

Mr. PEDLOW: I do not know. We left Ottawa in the month of October, in summer weather, when straw hats and light clothing were in vogue, and on our arrival in Assiniboia we got a very warm reception, though there were some chills connected with it. The hon. member for Brome and myself went out there prepared to enter into a warm political contest, but unfortunately we found it was only a family quarrel, and we found what a man generally finds when he engages in a family quarrel; we were up against it on both sides of the House. However, I can assure

my hon. friends from the West that we enjoyed every minute of our experience, notwithstanding the atmosphere that obtained during our sojourn in that country.

Mr. CLARK (Red Deer): "Sweet are the uses of adversity."

Mr. PEDLOW: There is one consoling feature in connection with the contest, and that is that at almost every point where the hon. member for Brome and myself appeared the results were in favour of the Liberal candidate.

Mr. EDWARDS: I rise to a point of order. I maintain that the hon. gentleman (Mr. Pedlow) is not in order in discussing a political campaign out in Saskatchewan under the heading of this resolution.

The CHAIRMAN: I have had some difficulty in hearing the hon. member but if he is discussing a political campaign he is not quite in order.

Mr. PEDLOW: I, as usual, have very great pleasure in bowing to your ruling, Mr. Chairman. I was not aware that my musical voice was so soft as to produce a condition of slumber during the course of my remarks. I was answering a question asked by the hon. member for Red Deer. I have much pleasure in associating myself with the position taken in regard to hats by the hon. member for Centre Vancouver and the hon. member for Strathcona. There is a great deal in what both these hon. gentlemen have said on that subject. I have here a resolution passed by the manufacturers of hats and addressed to the Minister of Finance. I have no doubt he is fully aware of the substance of that communication. In brief, the proposition put up is this: There are six or seven fur hat makers in Canada. These hat makers have got a foothold in the business within the last five or six years, and they employ a great many people. While the material that goes into the manufacture of a hat has increased 700 per cent since 1914, the manufacturer's price has increased only 400 per cent. A hat that was selling in 1914 at $2.50 or $3 has only been advanced 400 per cent which means that the retailer cannot sell a hat of that class at less than $10. It is really out of the question for any person to buy a hat to-day that will give him any service at all for $5 or $6. As a matter of fact I know that hats have advanced since springtime 45 per cent. They are costing 45 per cent more than they did for the spring business. There is no such thing as a $5 hat on the market except old styles and old stock that nobody wants to buy unless he is very economical and wants to economize as much as possible. I hope the minister will give consideration to the representations of the hat manufacturers of this country, and that he will be able to comply with their request.

Mr. BALDWIN: There has been considerable discussion as to what the tax means to the retailer, and the opinion has been generally expressed that goods will cost the consumer much more. I noticed during the discussion that hon. members overlooked the fact that the great departmental houses send their catalogues to the more remote parts of Canada, and as these great houses buy their goods, I believe, cheaper than most of the wholesalers, as country merchants have to conform their prices to the prices of the departmental houses—and I believe that the hon. member for Renfrew (Mr. Pedlow) is no exception to the rule—it is not at all probable that the conclusion at which many members have arrived will prove to be the correct one. Competition is very keen in the section of the country in which I live, not only between neighbouring merchants but between country merchants and departmental stores, because these catalogues go into every household. I think I am safe in saying that there is not a household in Canada that does not receive a catalogue at least from one of the great houses, and many receive them from several houses. Competition is such as to maintain reasonable prices. Trade is growing keener and keener, and harder and harder, for the retail merchant. Merchants who are actually engaged in business will find that is true.

Mr. NICHOLSON (Algoma): I am going to presume to ask the committee to allow me to say one or two more words before we pass from the principle of this resolution, as I think perhaps I was the first member of the House, or one of the first, to raise the question as to the wisdom of the minister proceeding on the principle evolved when the Budget was brought down, of collecting through the retail merchant the taxes imposed under the excise law suggested. As the minister has pointed out he has in mind two specific objects. One is to raise revenue. The country needs revenue—everybody acknowledges that. Associated with that is the desire to curtail extravagance, to reduce costs to the consumers, to bring home to the people who purchase the goods the fact that they are

buying goods upon which there is a luxury tax levied. Without question I admit the first reason, that it is necessary to have the means of raising revenue; and I agree wholly with the method suggested in getting a large portion of it out of luxuries. I also agree with the sentiment that it is desirable to curtail expenses. It is desirable to bring home to the people of this country that they have got to pay taxes—to put it before them as clearly as we can that we have all got to pay taxes. We cannot pay for the war, we cannot meet the obligations this country has to carry unless we pay taxes. But, Mr. Speaker, in relation to that my judgment is that in the main the Canadian people are sufficiently clear-headed to realize that when the Finance Minister puts a tax on a specific article and they buy that article—whether the tax is placed on the manufacturer, on the wholesaler or by any other method—they are buying a taxable article. I do not go very far on the assumption that you must say to a man: "Here is a pair of boots that we will give you for $9, but if you buy a $10 pair of boots we are going to tax you for it." You may say that a pair of boots costing $10 or $11 or $12 will be taxable, and that the cheaper boot will not be taxable, but surely when a man goes to buy those boots he knows when he is buying a taxable article. I believe that the taxes, as suggested, applied to the goods above a certain value will tend, as the minister has suggested, to bring down prices. They will tend in that direction to a certain degree, but not, I think, to the degree that has been suggested, because in the final analysis the cost of production is what regulates in the main the cost which the consumer has to pay for the article he is purchasing. But there will be the tendency for producers and manufacturers to get a grade of articles that will come below the taxable level, and to that degree it will reduce the cost. But let me repeat: The purchaser, in the main, without having this constantly kept before him, will realize that he is purchasing taxable goods, and to that degree the desired effect will be gained.

The next point is that if you apply this tax at the source, if you apply it on the manufactured product or the finished article, when it leaves the factory, and only once, or if you apply it on the finished article when the importer brings it into the country, you are going to have the pyramiding of taxation, because the manufacturer or the importer is going to add his profit. That is perfectly true, and you cannot get away from it. But as against that, you are going to save the enormous cost involved by the proposed method of collecting through the retailer. What is this taxation going to mean to the retailer? What is it going to mean to carry out the enormous detail work that this taxation is going to involve? If you assume that when a retailer takes an extra accountant into his business he is not going to apply that as part of his cost of carrying on the business, why, all right; tax the retailer. But my judgment is that when the retailer has to add any cost to his business he passes it on to his customers. If he does not pass it on in the case of the specific article that is taxed he must pass it on through some other article. That is the only way in which he can get the funds to pay the expense of his business. Again, let me say the pyramiding of taxation that has been suggested means greater cost to the manufacturers, but the saving to the consumers of this country will be many times more than any possible sum that will reach them from the pyramiding of taxes from the manufacturer, or by his placing a percentage of profit on the sum of money he has got to expend on the luxury tax in the first instance.

There is one other suggestion that has been made: That if you apply this taxation at the point of production, the point of manufacture, the point of importation, you are going to bring the scale to a point where you will not get any taxes at all, or else you are going to bring up prices so that again the purchaser will be penalized. With regard to that any man who has given the question even a moment's thought must recognize at once that if we are going to apply these taxes at the point of production, or at the point of importation the basis must in some way be changed. That is only in the final analysis a detail in the working out of this whole large scheme —the largest scheme in anything of the nature of direct taxation that has ever been introduced into this country.

Now, touching that question of direct taxation for a moment. It was stated in the House this afternoon that the easy way to collect taxes, if the Finance Minister wanted to follow that way, was to collect them through income. Well, we have as large an income tax now as they have in the country to the south of us; the ordinary man in this country has to pay a fairly high income tax. But, just touching that question of the easy way by which we can collect income tax. They have been col-

lecting income taxes for a long time in Great Britain, I have not at the moment the exact number of years, but it is admitted that they have been trying out the collection of income taxes for a long time and they have got their system perhaps about as perfect as any that could be evolved. Less than a year ago a Royal Commission was investigating the question of income taxes in Great Britain, and this was what they reported: That notwithstanding the system they have developed, notwithstanding the fact that they had forty or forty-five millions of people,—all collected in an area that you could lose in one province of Canada,—they were still losing between seventy-five and eighty million pounds, annually, of income tax that they had not yet been able to devise a means of collecting.

Mr. ARMSTRONG (Lambton): They have been collecting income tax for seventy-eight years.

Mr. NICHOLSON: My hon. friend reminds me that in Great Britain they have had their income tax system worked out for seventy-eight years. Yet this Royal Commission reported they have been losing between seventy-five and eighty million pounds annually that they have not yet been able to find any means of collecting. Now, let me give you a homely illustration with regard to that. Go into the smallest city that you can find in the Dominion of Canada and ask the tax collector if he finds it very easy to collect the income tax equitably from all the people who pay it simply for the maintenance of the public school in that village, and see what answer you will get. He will tell you at once that the most difficult thing to be equitably collected is the income tax, and the only way you are going to do it equitably at all is to have an absolute head tax which everybody shall pay. That is what the collector will tell you. However I do not wish do dwell upon that. I believe the plan of collecting the luxury tax through the excise method is a good one. I believe if put into proper operation it will yield a large revenue and will have the very result that the minister hopes for.

But just a word about the details. The last time I spoke on this subject I gave the House some figures I had worked out in connection with a certain retail store, which figures I claim are not over the average. I found there were 100 transactions in one day's business, and that it would take 43 pages of foolscap to contain the monthly statement to be transmitted to the department. On the same average that that retailer was collecting on his sales—and he sells about the usual kind of goods retailed throughout this country—in order to collect $1,000,000 in taxes 10,000,000 entries would be necessary on the statements transmitted to the department. Every single one of those statements will have to be checked against the accompanying slips if the department is to be certain of the correctness of the returns. This will mean, on the one hand, adding enormously to the retailer's costs, and, on the other hand, clogging the department with extra officials to do this work.

Mr. ARMSTRONG (Lambton): In view of the changes made in the tariff in regard to ribbons, laces, and similar commodities, the hon. member would not attempt to argue that there would now be as many entries in a store such as he describes?

Mr. NICHOLSON (Algoma): There might be some reduction in the number of sales of ribbons and similar articles, but if the revenue is to be derived in this way it is going to be collected in cents instead of dollars, and in dollars instead of lump sums of tens of thousand of dollars. I will at once admit that I am dealing with the original resolutions and have worked out the details accordingly.

There is one way by which this detail work can be avoided, and I favour it as a second choice. I believe the minister would be well advised to abandon the idea of collecting these taxes through the retailer, and to go back to the source of production—the manufacturer or the importer. But failing that, I am in favour of inland revenue stamps being used. I know there is an argument against my suggestion. It has been stated that druggists did not affix the inland revenue stamps to their goods, but merely kept the stamps on their shelves, and that there was collusion between the customer and the salesman not to affix the stamps. No doubt such collusion is possible. But when the salesman does not have to enter into a contract, so to speak, with the purchaser, will he not himself defraud the Government by failing to account for the duty? When an inland revenue stamp is used two people must be brought into agreement before any fraud can be perpetrated; by the other method all the salesman has to do if he wants to defraud the Government is to ring in the sale in two parts, or ring in the

purchase price and put the tax in his pocket.

Another phase of the question is that the man who wants to "play the game," if I may use the expression, is brought into competition with the man who does not want to play the game; and notwithstanding the fact that we all recognize, as the minister stated the other evening, that our retail merchants are honest, yet some people are not honest when it comes to paying taxes, and they will avoid payment if they possibly can. I may repeat the homely illustration I used on a former occasion when discussing this matter. There are not very many members in this House who would not trust any fellow member's name on a note; but if any of those members were over in a border city of the United States and saw some article of apparel that appealed to their taste, they would not hesitate to buy it and wear it across the border and so defraud the customs.

Mr. BUREAU: Are you talking from experience?

Mr. NICHOLSON (Algoma): You have all those things to contend with. I say again that as a first choice I urge upon the minister and the Government to go back to the point of production and importation for the collection of the tax; but failing that, I would advise the employment of inland revenue stamps to get away from the mass of work and the temptation to defraud in connection with the other method of collection.

The hon. member for South Renfrew (Mr. Pedlow) stated that he understood the minister to say that he intended to stand or fall by the resolution. That is not my understanding. I gathered that he was dealing with the subject with an open mind. I have only one desire—to assist if I can. Perhaps I am wrong; if I am, I am ready to stand corrected. I am simply giving my ideas to the minister for what they are worth, and I hope he will take them into his serious consideration before coming to a final conclusion on this method of tax collection.

Mr. DAVIS: It seems to me, Mr. Chairman, that there must be some misunderstanding as to the number of retail storekeepers in this country, for if there are 200,000 or 250,000, that is equivalent to one storekeeper to every 45 or 30 people, which does seem unreasonable. Basing my estimate on districts I am familiar with, I would say that there is about one store to every 250 or 400 people. But even that means that we have to go back to something like 40,000 storekeepers to collect this tax. We all know that tax collection is not too easy, and that the fewer people you have to deal with the more productive the tax will be, the more economically it will be collected; and as some one has said, you will "get your feathers with the least squawking possible." The very fact that this tax has caused so much commotion is a warning to the minister to get it, if possible, at the point of production as the member for Algoma (Mr. Nicholson), has suggested. I fully agree with him that that is the point at which this tax should be applied. It seems to me that the minister said he believed that would be the most economical for the Government, and probably the most productive. Then what are the objections to that method? Following his mind as nearly as I can, I judge that it is because the tax, not being taken directly out of the consumer's pocket, becomes an indirect tax. That will apply mainly to the luxury tax. I have understood that the department is not calculating that a very great sum is going to be derived from this tax, perhaps $10,000,000 or $15,000,000, but that the bulk of the amount that will be raised by these new taxes will be raised by the one per cent tax. I very much fear that the luxury tax will practically put out of business many firms. In trying to get some ideas on this tax I ran across the fact the other day that in Spain they had a tax on sales of 14 per cent. It was afterwards reduced to 10 per cent and later to 6 per cent. Both Spanish and English economists agree that that tax was the cause of the ruin of Spanish industry and Spanish agriculture. Now this tax on luxuries is going to exceed on the average this 14 per cent tax in Spain. I agree that taxes should be collected where there is ability to pay, but at the same time you must have regard to the existence of businesses, and some businesses are sure to be greatly hampered and very likely ruined by the excessive amount of these taxes. Hence, I judge they will exist for only a very short time. After they have been applied for a year I believe they will be ameliorated, if not entirely wiped out.

Now the department has had some experience in the collection of a tax of this kind—experience in two ways. I have understood from members of the department that the tax on matches, amounting to over $1,500,000, is being collected by about three

men. On the other hand, the stamp taxes have caused untold anxiety to the department, very much expense and a great deal of perturbation. There have been prosecutions all over the country for violations of the Act respecting this tax which is collected from the consumer. It seems to me that this should be a warning to the Government as to what is likely to happen when this luxury tax is applied, if it is placed on the consumer instead of at the point of production.

There are other things I might say but I think those are the most important.

Mr. DUFF: There is a little information I should like to get from the Minister of Finance. I should like to know if he or his department has made any estimate as to how much it is going to cost the country to collect this tax from the retailer; how many officials will be employed at headquarters at Ottawa to check the returns as they come in; and how many will be employed all over the country to see that the retailers make out the returns properly and record the sale of every article which should pay a tax. It seems to me that it will take an army of officials, anywhere from 5,000 to 10,000, to look after the collection of this tax. That means not only a great initial expense to the country, but I presume that when we get through with our present financial difficulties this tax will be dropped, and that these 5,000 or 10,000 officials which the minister proposes to take from the farm, the fisheries, the mines, and lumbering camps, will be added to the already overmanned Civil Service. If there is any possible way of collecting this tax without appointing more officials, it should certainly be done. I think I understood the minister to say this afternoon that practically no officials had yet been added to the department. My information from a reliable source is that the very first day after the minister made his Budget Speech fifty new officials were taken on by the Inland Revenue Department to make out the proper forms in connection with this tax. It seems to me that to take men out of productive industry and put them into a position where they are not producers, but drones, especially in view of the country's finances, is to do the very opposite of what we should do. We should be getting men out of non-productive employment into work where they would be real producers. I would strongly urge on the minister that the proper place to apply this tax is at the source of the goods.

The minister said in answer to a question that this resolution should be considered separately from the one dealing with the one per cent tax. But the three taxes dovetail so into one another that we cannot discuss them separately: the one per cent tax must first be got from the manufacturer selling to the wholesaler, secondly, from the wholesaler selling to the retailer, and thirdly comes this luxury tax which is collected by the retailer. I repeat that the proper place to apply this tax is at the source of supply, where the article is imported or manufactured, instead of having an army of officials added to the present staff to look after the collection of the tax. Then the Government would not have to have these officials going round seeing that the retailer made up a proper statement. By this method they would get every dollar of taxation that was due, and would get far more revenue than they will under this method proposed by the Minister of Finance.

Sir HENRY DRAYTON: Does the hon. gentleman want the information he asked for before he went on and made his speech?

Mr. DUFF: I am not going to allow the minister to insinuate that I cannot make a speech if I want to. Perhaps my remarks will be listened to just as attentively as some of the remarks he made this afternoon.

Sir HENRY DRAYTON: I did not know whether the information was desired.

Mr. DUFF: It is desired; I asked for it in the form of a question, and I want it.

Sir HENRY DRAYTON: I want to give it.

Mr. DUFF: Don't talk so much about it.

Sir HENRY DRAYTON: I could not tell the hon. gentleman just how many men are working on this particular matter at the present time. As I have told the House several times, the collection is by the Department of Inland Revenue, and the latest information I have on the subject, which I cannot vouch for personally, is that one man, who was borrowed from another department, is employed on this work with two stenographers. If I was asked to make a guess as to the number of men to be employed here at Ottawa for the purpose of checking, I should say about one hundred.

Mr. DUFF: I did not ask the Finance Minister to do any guessing. The people of

this country expect him to do more than guess. It seems to me that if he is going to deal with this matter in a businesslike way he should have had some idea before he brought down the Budget how many officials it would take to collect the taxes under his proposals, and the probable cost. It is not very creditable for the minister to give out to the House and the public that he has no information as to how many officials will be required or the probable cost of collecting the tax, but can only "guess."

Mr. MICHAEL CLARK: I should like to ask the minister a question or two in elucidation of the point raised by my hon. friend, (Mr. Duff). Does the minister regard these taxes as likely to be temporary or permanent in the country?

Sir HENRY DRAYTON: I would regard these taxes as taxes which will be permanent if they work out properly. I do not know how they will work out. I do not know that I am any better prophet than anybody else as to their working out. The money is required and this seems to be one way in which money may be obtained. We hope these taxes will work out properly, we have no particular reason to doubt that they will work out properly; and if they work out properly, with the tremendous liabilities the country is under, I would think they would have to be retained. If they do not work out properly, my hon. friend probably knows what would happen.

Mr. MICHAEL CLARK: As to their working out, can the minister give as to how many retailers in any portion of Canada beginning at Ottawa, are collecting these taxes and how many are not? I have correspondence from some who are not collecting them; I have correspondence from others who are. Has he given any direction to the retailer which gives him any guidance as to the scientific method of collection? We want this information so that we may know whether the minister has control of his department.

Sir HENRY DRAYTON: The hon. member knows perfectly well—and there is no good repeating it—that I am not collecting these taxes. That is not in my department, and it is idle at the present time, with a matter as new as this, to expect anything like a definite report upon what either John Jones or John Smith is doing and what the percentage of payments here or there may be. We do not know. It is impossible to tell.

Mr. DUFF: We should have this information before we go very much further. The minister says that some one else is responsible for the collection of the taxes. In that case, we should have the Minister of Inland Revenue here to give us the information, or the minister should have it himself. A large amount of expense is going to be entailed in collecting these taxes, and yet the minister is asking the committee to suggest to him the best method of collecting them when he does not know what expense will be entailed in collecting them. If the minister cannot tell us how much it is going to cost to collect the taxes, some other minister should give us that information, or some estimate should be given before we go very much further.

Mr. MICHAEL CLARK: Does my hon. friend not think that it is a frightful state of confusion for the affairs of this country to be in that in various localities some retailers are already collecting these taxes and others are not? I want to bring that home to my hon. friend, because I know what I am talking about, and probably every other hon. member in the Chamber knows that in certain localities some retailers have now accepted the position imposed upon them of being involuntary collectors of taxes for this Government and others have refused the position; some retailers are collecting the taxes, others are not. I should like the minister to tell us whether he does not think that an awful state of confusion for these taxes to have reduced the country to.

Sir HENRY DRAYTON: I would be very much obliged to my hon. friend if he would give me the names of those retailers who are breaking the law. It would assist very much if he would do so. But I should like to say this to the hon. gentleman, that he cannot put into operation any new method of direct taxation without trouble and difficulty, and there is one way in which that difficulty, annoyance and uncertainty will stop, and that is by adopting these resolutions at the earliest possible minute. What is the use of talking of getting up machinery and having prosecutions at the present moment, before these resolutions are adopted? You cannot possibly expect to put into force new methods of taxation without trouble, and I certainly do not expect to be able to do so. It takes some time for people to understand what they have to do, and it may be that some of the retailers to whom my hon. friend refers do not know what they ought to do. I do not know what my hon. friend's suggestion is in connection

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with a man who honestly does not know —whether my hon. friend thinks he should be prosecuted or not. My view is that, in connection with a new law and a matter which is the subject of so much debate as this is, reasonable treatment ought to be accorded. But it is idle to hope for any definiteness in the country until this House has passed upon these proposals. It will be unreasonable, further, to expect that prosecutions will take place until the House has acted in the premises.

Mr. MICHAEL CLARK: My hon. friend asked me for names. That is very cheap. I shall be glad to give him the names of my correspondents,—

Sir HENRY DRAYTON: I shall be glad to have them.

Mr. MICHAEL CLARK: —and every hon. member in this House who has similar correspondence would be glad to do so. If I do give them, according to his own showing, the minister would not prosecute. Would he give directions? Has he given directions? Have directions been issued from Halifax to Vancouver as to how these taxes are to be collected? It is a far cry from prosecutions, which I am the last man to call for in connection with new taxes, to directions how the taxes are to be collected. Has my hon. friend's department or any other department of the Government given directions? The facts are as I have stated them,—and the minister knows that and other hon. members know it,—that some retailers are collecting the taxes and others are not; and some have written to us asking whether they have to collect them or not. We can only come to the minister for answers to those questions.

Sir HENRY DRAYTON: I shall be pleased to answer the question. Instructions were given. They went out the night of the Budget Speech.

Mr. DUFF: A few minutes ago the minister said that, if we allowed these resolutions to go through quickly, he would be able to put into motion the machinery to collect these taxes. I must disagree with that statement. As I said before, the minister has not his department properly organized or the other minister upon whom my hon. friend has tried to shove the blame has not his department properly organized to collect this tax, because it is a well-known fact that if the first resolutions as introduced by the Minister of Finance on May 18 were not changed at this late date, he would not be able to make that statement. Is it not a fact that the taxes went into effect the moment the minister made his Budget Speech on May 18? Why does the minister now tell the committee and the people of Canada that when he made the Budget Speech he had no machinery by which to put his tax proposals into effect, either to see that the retailer makes the proper statement or to see that officials are appointed to look after the returns? Does the minister want it to go out to the country that he had no machinery to collect the taxes when they went into effect on May 18?

Sir HENRY DRAYTON: I am afraid I expressed myself loosely and improperly. I am sure that is not the hon. gentleman's fault; the error must be mine. I said that instructions went out the night the Budget Speech was delivered.

Mr. MICHAEL CLARK: In what form did they go out? Did they go out to every retailer in the country?

Sir HENRY DRAYTON: No.

Mr. MICHAEL CLARK: In what form did they go out, because we have a right to know that?

Sir HENRY DRAYTON: The notification went out to every single collector of inland revenue in the country, with instructions to notify people selling in his district. Further than that, of course, the announcement was made and pretty well covered in the press. It is just as quick a notice as is ever given or ever has been given.

Mr. DUFF: Would the collector of inland revenue know the names of the retailers in his district?

Mr. ARMSTRONG (Lambton): In answer to the hon. member for Lunenburg (Mr. Duff), I might say that last week it was my privilege to go in the direction of my home. I spent Thursday afternoon in the city of London where I purposely visited a number of stores, large stores as well as small ones, and made inquiries in regard to this tax. I found also that the Inland Revenue Department in that city were actively engaged in collecting the taxes, and the managers of several of the stores that I visited were frank in telling me the manner in which the taxes were being collected,—they said that on the whole they were well satisfied with them, and especially since the minister has made his changes in connection with this Budget, I feel confident that the people in those districts are well satisfied and are ready and willing to pay

over the money. In fact, they have been collecting the money and paying it into the Inland Revenue Department. If you go further, to the town in which I live, a place of four or five thousand people, you will find that the Inland Revenue officer not only notified all the stores in that little district but sent his assistant into every place where an automobile was located that had not been disposed of and collected the tax. I certainly was agreeably surprised to see the manner in which the tax had been collected and to learn the very prompt way in which the people had carried out the instructions that had been sent to them the day after the Budget was delivered.

Mr. COPP: If I understand my hon. friend correctly, he said he visited a number of towns before the changes were made by the Minister of Finance and found the dealers were perfectly satisfied with the Budget and the collection of the taxes.

Mr. ARMSTRONG (Lambton): I did not say they were perfectly satisfied with the Budget as it existed at that time; but with the changes made by the Minister of Finance, I feel confident that the bulk of them are satisfied, or at least as well satisfied as you can expect people to be when you are collecting a direct tax from them.

Mr. COPP: I understood my hon. friend to say that on Wednesday last they were well satisfied with the arrangement. Perhaps I was wrong in representing him as having said they were perfectly satisfied, because you could not expect any one to be absolutely and entirely satisfied with a new piece of legislation. I am prepared to grant that. But if I understand this matter correctly, judging from my own experience and having received numerous telegrams and letters not only from individuals in my own constituency but circular letters enclosing statements which the writers said were copies which they had filed with the minister protesting earnestly and vehemently against the arrangement for collecting the tax, then the hon. gentleman is not quite right.

Mr. ARMSTRONG (Lambton): Have not a number of those people been satisfied by the changes made?

Mr. COPP: I am coming to that. I understood my hon. friend to say that the people to whom he referred were well satisfied prior to these changes. If that is so, it does seem to me that the minister's position is somewhat strange. Realizing the great responsibility that rested upon him for the raising of taxes in order to provide the money requisite for carrying on the affairs of the country, realizing that he was in a position of high responsibility, he came down deliberately to a deliberative Parliament and presented his Budget after months of consultation, and no doubt anxious study, for I am prepared to admit that he must have devoted considerable study to the preparation of his task. On the 8th of May he presented his Budget, after serious consideration; and now we have to understand that this was only a hodgepodge affair, not properly considered, not properly conceived, and not properly informing the public of what they would be expected to do. He made his speech in this House and we were all very much pleased, I have no doubt, to hear the hon. gentleman; and for two weeks the eloquence of hon. members resounded through the Chamber telling of the great courage which the Minister of Finance had displayed in the manner in which he had brought down his Budget asking the people to dance to the tune that he at that time was playing. He had thousands of copies of that speech prepared for distribution. I did not ask the minister why that speech was printed, but I take it for granted that the object was to permit hon. members to send it broadcast over the country in order to instruct the merchants, retailers and wholesalers, and all those engaged in business transactions from the Atlantic to the Pacific, as to what would be expected of them. That speech has been distributed; it is in the hands of all business people. For ten days they have "carried on", and I have no doubt the statement that has been made is correct, that a very large number of merchants have been collecting the tax. Whether it was proper or improper was not a question for them; they had to obey the law. They have collected this money, and notwithstanding that my hon. friend from East Lambton says that the people in his town were well satisfied, the minister comes and says: "I am going to change all that. We were all wrong. The retail dealers, the business men who sent telegrams and circular letters, the boards of trade who sent petitions are all right and I am all wrong, and therefore I am going to change this thing". I would ask my hon. friend if he is going to stand by the Budget he has brought down or whether we are to expect that in a day or two, after he has received some letters and telegrams from

different parts of Canada, he is going to say again: "I am wrong; I have been misinformed and I want to come down again with different proposals in order to collect the money that is needed to carry on the affairs of the country". I do not profess to be a wizard of finance, but I do say that when the Budget Speech was brought down it should have been the embodiment of very careful and mature consideration. Very heavy taxation is placed on the people and though they may be prepared to bear it, naturally they feel it keenly, because no one wants to pay taxes if he can help it. But when my hon. friend laid his proposals before Parliament on the 18th day of May they should have been so considered and so properly worked out as to be satisfactory to the people. My hon. friend says that the people were satisfied on Wednesday last, but now we are asked to accept changes on a few hours' consideration. We studied the Budget for two weeks, and hon. gentlemen opposite told the House and the country that it was a proper Budget. They said that the people were satisfied, but now we find that the minister himself is not satisfied, the Government is not satisfied, and numerous hon. gentlemen opposite are not satisfied. I had the pleasure of listening to the hon. member for East York (Mr. Foster) tonight saying that it was the most unpopular arrangement that had ever been made; and that is the way we find things to-day. When, in Heaven's name, shall we get down to something sane and proper and carry through something in which the people of the country will have confidence, in which the Government will have confidence, and in which the supporters of the Government will have confidence?

Mr. McKENZIE: It appears to me from the speeches that we are hearing not only from this side of the House but from the Government side that the most important point to be settled by the minister is how he is to collect this tax. I think everybody is of the opinion that the fewer men who are engaged in collecting the tax and the fewer places where it is to be collected the better. The greater the amount of money the Government will get, and the less the number of officials to be employed, the less the difficulty will be. Quite a number of hon. gentlemen supporting the Government — strong supporters; not milk and water supporters; not Liberal-Unionists, but the straight, old-fashioned Tory type—have been telling the minister that the Government are all wrong in the method they are proposing to adopt for the collection of this tax. I am sure that the strong, if not unanimous, consensus of opinion on this side of the House is that this tax should be collected at the fountain head and not in the way the minister expects to do it. If the minister can get the money that he requires in a thousand places why should he be looking after 400,000 or 500,000 places in order to get the same amount of money?

The minister says that he must protect the people for fear that the prices of goods will go up. He need not think that he is going to regulate the prices of goods by the manner in which he collects these taxes. The price will go on the goods, and if we have honest merchants in this country, as all seem to think we have, we will have to trust to competition between the people who are selling the goods as to what the price will be. The thing for the minister to do is to look after his own particular business, or after this business, with the least trouble and expense. If the minister would give out to the House and to the country that he is going to collect the taxes in this way I think he would get along very much faster with his own friends who are supporting him, and I am sure that his course would be more satisfactory to us on this side.

The minister is willing to change his mind on everything else except on this one thing. There is no item in this Budget but what he seems perpared to turn over five or six times, and to give it as many turnovers as some people wish to turn their business over in order to give them a profit. But on this one thing he seems to plant his two legs at an angle of 45 degrees and say: "Thus far I shall go and no farther."

I do not propose to repeat what I think was so eloquently and well said by his own friends on the other side of the House. I think the hon. member for Algoma (Mr. Nicholson) has put the case for all it is worth. He has given us, as a retailer and a business man, not only the benefit of his own experience, but the experience of others in his own city or town. He tells the House exactly what he thinks. The hon. member for Brantford (Mr. Cockshutt), another business man of thirty or thirty-five years standing, as he told us yesterday, agrees with the hon. member for Algoma. The hon. member for Dufferin (Mr. Best) spoke in the same way yesterday. The hon. member for Nepawa (Mr. Davis) did the same thing. I do not wish the minister to pay any attention, if he please, to what we say on this side, but we expect him to listen

to his own friends and to learn wisdom from people who are in business and who are giving him the benefit of their very best judgment.

I have a letter from a large firm of persons in my riding. They are doing a large wholesale and retail business, and they write me to say exactly what has been expressed so well by the hon. member for Algoma. They want to know how this tax is to be collected, and they ask me to say to the minister that they want it to be collected at the fountain head. I wish the minister would settle this question once for all. If he is not going to take our advice, or the advice of his friends, let him say so absolutely and finally. Then we would get along and not bother him with any more speeches. But we have discovered that he is subject to change, that he will change his Budget, and sometimes change his mind. We think that by keeping at him he may change the method and go back to a better system of collecting the taxes. If he tells us once and for all that there is no hope, that the die is cast and that the system that he has announced to the country is going to be the system ultimately, I am willing to give up and I will not say anything further. But, while there is life there is hope—

> While the lamp holds out to burn
> The vilest sinner may return.

And until the last flicker is gone I am prepared to keep on trying to persuade the minister to come to his senses and use the system in connection with this matter which business men are urging upon him.

Mr. CRERAR: I wish to urge upon the minister a reconsideration of the position that he has taken in reference to this matter. I desire, with entire candour and honesty, that we should arrive at the best solution of the question. I am convinced that the machinery of collection proposed will not only prove very expensive but entirely inadequate to achieve the purpose that the minister has in view. I cannot see the sense of adopting an expensive and cumbersome system of collecting a tax that simply takes from the public revenue, in the expense of collection, a great deal that should go to the treasury. The hon. member for East Algoma (Mr. Nicholson) has made a very strong case against collection by retailers. I think perhaps the figures he gave as to the number of merchants in Canada are large. I am rather inclined to take the opinion expressed by the hon. member for Neepawa (Mr. Davis). But if we assume that we have 50,000 retail merchants in Canada, and that each of these merchants makes on an average of forty sales a day, we have 2,500,000 sales slips. We must consider these taxes in their practical application. I think my hon. friend the Minister of Finance will agree with me that it will be necessary to check the collection of these taxes very closely. I do not believe for a moment that there is any large amount of dishonesty among the retail merchants in Canada, but notwithstanding the honest merchant who is collecting the tax and remitting it to the treasury department is entitled to be assured that no one of his brother merchants is escaping the tax. Consequently that will involve this: The remission and checking daily of 2,500,000 invoices. Now the Minister of Finance states that he has estimated that 100 officials at Ottawa can attend to this work. I have had considerable practical business experience, and I will venture the statement that the Minister of Finance will find nowhere within the four corners of Canada 100 employees who will check 2,500,000 invoices a day. It is out of the question. Consequently, if that cannot be done, the thing falls to the ground. We can be certain of this, Mr. Chairman, that if there is looseness in the collection of these taxes, if there is looseness, or inadequacy, or inefficiency in the system of administration, it will lead to a growing and continuing violation of the law, and the purpose for which my hon. friend has devised these taxes—which I think in very large degree are bad in principle and will be so demonstrated—will prove ineffective.

Then there is another thing. The reason the Minister of Finance urges for the continuance of this method of collecting these taxes is, that it may be brought home to the taxpayer in Canada that he must pay for the war, and that he must contribute to the revenue of the country. Well, I do not think there are very many people in Canada who fail to appreciate that fact now. They have failed in the past because of the indirect method of raising taxes we have had; but they are appreciating the fact to-day that this country has to raise $300,000,000 to $400,000,000 a year.

Now as to the cost. My hon. friend admits that the system he has devised is an expensive system, or at least not the most economical system that could be used, for the collection of these taxes; but he justifies it on this ground: that if the taxes are collected from the manufacturers, or the

wholesaler, or the importer—as it is my opinion they should be—that will mean added cost to the consumer because that expense will ultimately reach the consumer. I am not so sure that he is right in that regard. The first thing that a merchant, in the country or in the city, will have to do will be to make additions to his staff to look after the extra clerical work necessarily involved in the collection of these taxes. A few days ago I had representations from a merchant in my constituency—out of many I have had—who has three retail stores. He tells me that not only will the added expense to his business be very great, but that he practically will have to scrap his whole sales system and introduce a new plan in order to furnish the Finance Department with the extra invoices they require. The whole of that expense will be added to the cost of the business done by the merchant and it will simply mean an addition to the price to the consumer. I am therefore not so sure that the method of collecting from the manufacturer, the wholesaler or the importer will prove more expensive in operation than the method proposed by the Minister of Finance. And even if that result did follow, the economy that could be secured in the administration of these taxes at Ottawa—and elsewhere throughout Canada where offices would have to be established by the minister—would justify the method of collecting these taxes from the importer, the manufacturer and the wholesaler. It is essential, Mr. Chairman, that these taxes be paid if we are going at the business seriously. There is nothing that will prove more demoralizing to the people of this country than for the impression to grow in the public mind that these taxes can be evaded; and I am very certain of this—that the minister cannot devise machinery that will adequately insure their collection by all the retailers. That, to my mind, forms one of the strongest justifications for a change in method.

I would therefore urge, in the best of good temper, that my hon. friend should reconsider the matter, and that he accept the suggestions that have come—not only from hon. gentlemen on this side but even with greater force from members on his own side. We all want to arrive at the best solution of this question; I am sure of that. I for one appreciate the difficulties that confront the Finance Minister—but after all I am convinced that this method of collecting taxes from the retailers will not only be unpopular throughout the country—which perhaps does not matter so much—but will prove expensive, and inadequate, and will lead to wholesale violation of the law. That is not to be desired in any system of collecting taxes. We have discussed the matter now, Mr. Chairman, for a couple of hours, and perhaps, my remarks might more properly come under section 2, but I understand that I shall be in order in moving an amendment. I therefore move:

> That the resolution be amended by striking therefrom the second paragraph of the said resolution and substituting therefor the following paragraph:
>
> "That the excise taxes as imposed by the preceding resolution shall be paid by the manufacturer, or wholesaler at the time of sale, or on importations at the time of importation in addition to the duties of customs already imposed; and by the manufacturer or wholesaler, to His Majesty in accordance with such regulations as may be prescribed."

Mr. LOGGIE: I wish to say a word or two regarding the amendment just submitted, and to give some further reasons why I think the proposal of the minister is the better plan. First of all we must not forget that we have a vast sum to raise annually, and this money must be obtained through the customs and by direct taxation. The proposal to collect luxury taxes through the retail merchants is, I admit, surrounded with difficulty; but no great reform or change in the mode of collecting taxes could ever be undertaken without difficulty. The minister has told us how these difficulties will be overcome, but he has not all his plans formulated.

Mr. MICHAEL CLARK: That is a good word.

Mr. LOGGIE: However, he tells us what taxes will be collected, that they will be collected from those who are best able to pay them, and the method of collecting them. Now I want, if I can, to point out the advantages that are involved to the people of Canada, and when I speak of the people of Canada I speak of them as represented by the Government. The Government of Canada represent the people of this country.

Some hon. MEMBERS: Oh, no.

Mr. LOGGIE: Well, this Parliament represents the people.

Some hon. MEMBERS: No.

Mr. DUFF: Not this Government at any rate.

Mr. LOGGIE: I want, if I can, to point out some advantages that accrue to the

people of Canada in connection with raising the necessary revenue. The tax on luxuries, collected through the retail merchants as proposed, will on the original value of imports give the Government about 87½ per cent more revenue, without any extra cost to the consumer. If it does that, is it not a fair guess that it will save the consumer taxes from some other source? But it does more than that. It impresses buyers of luxuries with the fact that they are directly paying some of our war expenditures, and it fosters the buying of goods that are not classed as luxuries. The proposal is definite and clear that goods coming under the class of luxuries are passed on to the consuming public on the basis of the retailer putting his profit only on the cost of the goods under the regular tariff. Then the retailer says to the consumer: In order to pay interest on the war debt the Government requires an extra ten per cent on any high class article that is designated a luxury. And the whole of that tax goes into the coffers of the people of Canada, represented by the Government.

Now, in order to illustrate to hon. gentlemen opposite in the clearest manner possible what I have been stating, I have here two tables illustrating the results. I take an invoice of silks and laces valued at the custom house at $10,000:

| Luxury tax paid by importer and absorbed in sales:— | |
|---|---|
| Invoice of silks and laces | $10,000 |
| Add luxury tax if by customs tax | 1,000 |
| Cost of goods to wholesaler | $11,000 |
| Add wholesaler's profits, 25 per cent | 2,750 |
| Cost of goods to retailer | $13,750 |
| Add retailer's profit | 6,875 |
| Cost of goods to consumers | $20,625 |

Mr. COPP: Would the hon. gentleman permit me a question? Is that fifty per cent retailer's profit real or fictitious?

Mr. LOGGIE: That is the average profit of a retailer selling silks. I do not think he could afford to sell silks at less than fifty per cent profit.

Mr. DUFF: That is a pretty good profit.

Mr. LOGGIE: Now, the point I want to make is that on those goods which cost the consumer $20,625 the Government gets only $1,000 if the tax is collected on the principle of the amendment before the House. But let me now point out what tax will accrue to the treasury if the Government's proposal is adopted:

| Luxury tax collected by the retailer:— | |
|---|---|
| Invoice of silks and laces | $10,000 |
| Add wholesaler's profit, 25 per cent | 2,500 |
| Cost of goods to retailer | $12,500 |
| Add retailer's profit, 50 per cent | 6,250 |
| | $18,750 |
| Add 10 per cent luxury tax | 1,875 |
| Cost of goods to consumers | $20,625 |

In this case the cost to the consumer is $20,625, or exactly the same as if the tax were collected through the customs house and the Government got only $1,000, whereas in this case they get $1,875, or 87½ per cent more. That is positively correct as far as I can figure it, and if hon. gentlemen opposite can point out any error I shall be glad to hear from them.

I have another table which is practically the same in principle, but I put the profits at a different rate, that is to say, I have made the wholesaler's profit 10 per cent and the retailer's profit 25 per cent. Here the amount paid to the Government through the customs would be $1,000, but if paid through the retailer would be $1,375. Remember, Mr. Chairman, the cost to the consumer is the same, but these profits are not as they really would be, that is to say, they are much less than what the consumer would pay. However, the point I want to make is that allowing a profit of 25 per cent to the wholesaler and 50 per cent to the retailer the Government would get 87½ per cent more money, and the consumer would not pay a dollar more, under the proposals of the Minister of Finance. So far as I am concerned, therefore, I am prepared to vote against the amendment.

Sir HENRY DRAYTON: Mr. Chairman, one or two things ought to be pointed out before the vote on the amendment is proceeded with. Rightly or wrongly, a good many things have been said on the question of checking extravagance and waste, and I wonder if we are at all sincere in what we say. I wonder if we realize that what is proposed is that the poor man's boots shall be taxed with the cost of the rich man's luxuries. That is what this amendment amounts to. What is proposed is that instead of this tax being paid by the man who can afford to pay it when he makes the expenditure, it should be levied on the manufacturer or wholesaler as the case may be. Is anyone green enough to imagine for one minute that the goods on the shelves of the wholesaler or in the warehouse and factories of the manufacturer are going to be taxed from time to time in connection with this

luxury tax? Under the amendment the luxury tax will become part of the general cost of that manufacture, and you ask us to say that the poor man shall make up that cost. In a boot factory you have workmen's rough boots at say $4 or $5 or $6 a pair, and also boots costing $18 and $20 a pair. The whole effect of the amendment is to say that to that cost of the workmen's boot shall be added the costs to which the manufacturer is put because he carries on the manufacture of more highly priced lines. The taxes would not be luxury taxes at all in that case. They would be taxes on expenditure. They would be added costs to the manufacturer, which he could place just where he pleased, and if he found it easier to charge the whole of it on his cheaper lines of goods, leaving it off the more expensive he could do so. I do not believe that the hon. gentleman intends any such result, but that can only be the result. There is another thing, which I am absolutely sure was not intended at all, which goes to show how easy it is to make errors of this kind. The amendment seeks to replace section 2 with the following:

> That the excise taxes as imposed by the preceding resolution shall be paid by the manufacturer or wholesaler at the time of sale, or on importations at the time of importation in addition to the duties of customs already imposed;

Now, mark it, mark it.—

Mr. CLARK (Red Deer): Well.

Sir HENRY DRAYTON: Mark it well. There are only two interests that are called upon to pay that tax, the manufacturer or the wholesaler. The retailer can import as much as he likes without paying any tax, because the word "importer" does not appear in the amendment, but simply the manufacturer or wholesaler.

Mr. CALDER: What about the individual?

Sir HENRY DRAYTON: And there is nothing in the amendment to prevent the individual bringing in the highest-priced motors and automobiles without paying taxes. I am sure that the hon. gentleman could hardly have intended such a result as that. I am sure that the insinuation, which could be easily made, that this is a studied worked-out policy in the interests of some retail concern would be false. It might be insinuated that this is something which has been worked up to enable some particular backers of my hon. friend to get in their automobiles free or that is something under which the grain growers, selling as they do direct to the public, and therefore being neither manufacturers nor wholesalers, could entirely escape the tax; but I do not believe for one minute that any of those considerations was present with my hon. friend. I simply desire to point out to him just what his amendment means—just what its effect would be. For what reason? The reason is manifest.

I have been charged with changing my mind. I have changed my mind. I change my mind when it is shown to me that I am wrong, but I do not change my mind upon pressure or influence. Hon. gentlemen talk about the number of retailers in this country. Several speakers have mentioned 200,000. My hon. friend (Mr. McKenzie) got it up to between 400,000 and 500,000, while my hon. friend (Mr. Crerar) got it down to a much closer figure. If there are 200,000 retailers, there are 200,000 reasons for changing one's mind if pressure or influence is to be a reason why one should change one's mind. If any hon. gentleman can show that this amendment will help the common people of this country, and by that I mean all those who buy goods, and who are not manufacturers, not wholesalers, not retailers, and will not add to their costs, I will change my mind. But I am not changing my mind because 50,000 or 200,000 retail merchants want me to change it. I appeal to my hon. friend to forget for one moment that he and I do not agree. I would ask him to try to remember some of the principles for which he says he can honestly stand. I would ask him to remember what he thinks about a tax that can be made the source of an added profit to a manufacturer as against a suffering consuming public. My words are not quite the same as his; but the idea is exactly the same. And to-day he is faced with an opportunity of placing that tax direct, of seeing that not one single cent is paid more than the Government gets; that no profits whatever comes upon it; that that system of direct taxation which is to him so dear shall be maintained. But the suggestion is that that shall be all forgotten. Why, he says, there are 50,000 retail merchants who are objecting—and the indirect tax method is to be applied, and not one but two different sets of profits are to be made available on it. The issue is very plain and I do not know that I can usefully say anything more in connection with it.

Mr. CRERAR: I will take but very few minutes to reply to some of the observations made by the Minister of Finance. It is at any rate quite clear that he persists in his desire to become an unpopular gentleman

in Canada. I want to make my position clear at the outset. I have objected to these taxes because many of them are absolutely unsound. The minister persists in calling them luxury taxes; but they are not luxury taxes at all; for the greater part they are taxes on absolute necessaries of life in this country. If my hon. friend is so desirous of looking after the poor man and the cost of living to the poor man then I would very seriously commend to him that he reconsider this whole tax business and cut out many of the taxes he has imposed on the necessaries of life. My hon. friend states further that one result of the adoption of my amendment will be that retailers will be able to import goods into Canada and thus escape the tax. I think I understood my hon. friend aright; but I cannot for one moment believe that he made that assertion in all seriousness because if he turns to section 7 of the resolution dealing with the one per cent tax that he is imposing under that section, and examines the language, he will find that it corresponds identically with the language I have used in my amendment. I was very careful to do that.

Sir HENRY DRAYTON: Will the hon. gentleman allow me a moment, because I am quite sure we should not be at cross purposes? It is quite right that the retailer there was not to be taxed; it was only a sales tax.

Mr. CRERAR: The amendment states that the tax shall be paid on importations into the country. Does that mean that a retailer can buy goods in another country and import them into Canada and thus escape the tax? If a retailer goes to the United States and buys a carload of goods for distribution amongst his different stores, does he pay the customs tax? I do not think he escapes that, and if he does not escape the customs tax, how is he going to escape this tax? The idea is absurd, and my hon. friend will realize that if he thinks it over for a moment. My hon. friend made, shall I say, an insinuation, which, I think probably when he considers the matter in the sober light of to-morrow, he will rather regret. He rather hinted that I might be interested in this because I was connected with a certain company that is making importations into this country. I rather regret my hon. friend made that insinuation. I think I am well enough known in this House to have my word accepted when I state that that thought was never in my mind for a second.

Sir HENRY DRAYTON: I gave my hon. friend absolute credit for that. I said that I was sure he had not that thought in mind.

Mr. CRERAR: That furnishes an additional reason why the minister should not have made reference to the matter. But he says further—what good reason is there for changing this? I gave the reasons and I will give them again. If this tax is to be collected by the retailer, it will, in large measure, be evaded. My hon. friend can scarcely get house room enough in Ottawa to house the invoices and returns he is going to compel these retailers to make. If he gets a staff that is adequate to check the returns as they should be checked, a very large proportion of the tax that he will collect will be eaten up with expense. His method is an expensive one and will result in evasion of the tax, as is evident to-day. I have in my desk downstairs a letter which states that already pedlars and vendors of that kind are evading this tax as regards jewellery, drygoods and other commodities. If I had the letter here I would read it. How is my hon. friend going to collect the tax from these people? He is going to hurt the business of the retail merchant in this respect, and his system will inevitably result in evasion of the tax, with a consequent loss of revenue and a great deal of inconvenience to every retail merchant in Canada. I make the appeal to my hon. friend and to the members of the House in the best of good faith, that my hon. friend will find the strongest arguments in support of my amendment came from his own side this afternoon from reputable business men who knew what they were talking about. My hon. friend knows that this tax is an expensive operation and he will not get the revenue he expects to get from it. For that reason, if for no other, the amendment should be adopted by the committee.

Amendment (Mr. Crerar) negative; yeas, 25; nays, 39.

The CHAIRMAN: Shall the resolution carry?

Mr. CLARK (Red Deer): I understood that we were going to discuss this resolution in sections after the general discussion.

Sir HENRY DRAYTON: Quite so. I move that the committee do now proceed to a consideration of the resolution paragraph by paragraph, and item by item.

Mr. BUREAU: This is a very slim House and some hon. members might like to have

a discussion on the general principle on Monday afternoon.

Sir HENRY DRAYTON: Hon. members will have that privilege when the different paragraphs and items have been separately considered and amended.

Motion agreed to.

Progress reported.

## CRIMINAL CODE AMENDMENT ACT—(FRENCH VERSION).

On motion of Rt. Hon. C. J. Doherty (Minister of Justice) the House went into committee to consider Bill No. 131 to amend the Criminal Code (French version), and Bill reported, and read the third time, and passed.

On the motion of Rt. Hon. Mr. Doherty the House adjourned at 12.14, Saturday.

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# Monday, June 14, 1920.

The House met at Two o'clock.

## RETURN PRESENTED.

Return showing number of persons employed in the Department of Soldiers' Civil Re-establishment, their names and salaries. —Mr. Clark.

## FIRST READING OF SENATE BILLS.

Bill No. 170, for the relief of Edith Ellen Holmes Austin.—Mr. Mowat.

Bill No. 171, for the relief of Ethelbert Gilmour Harris.—Mr. Arthurs.

Bill No. 172, for the relief of Albert Ernest Wice.—Mr. Boys.

Bill No. 173, for the relief of Peter Sutherland Cowie.—Mr. Mowat.

Bill No. 174, for the relief of Roy Bradley. —Mr. MacNutt.

Bill No. 175, for the relief of Joan Doran. —Mr. Mowat.

Bill No. 176, for the relief of Alexander Ross, Junior.—Mr. Mowat.

Bill No. 177, for the relief of Jean Mary Sandford.—Mr. Porter.

## QUESTIONS.

(Questions answered orally are marked with an asterisk.)

### CANADIAN NORTHERN ARBITRATION.

Mr. SINCLAIR (Antigonish and Guysborough):

1. How much was expended by the Department of Justice in connection with the Canadian Northern arbitration proceedings?
2. Was any money expended on account of the Canadian Northern arbitration proceedings by any department of the Government outside of the Department of Railways and Canals and the Department of Justice?
3. If so, by what departments and how much was so expended?

Hon. Mr. REID:

1. The Department of Justice say that nothing has been expended by that department.
2. I cannot find from any of the other departments that they have expended any money on this arbitration.
3. Answered by No. 2.

### CREDIT ADVANCE TO ROUMANIA.

Mr. EULER:

1. When did interest fall due on account of the credit extended by the Canadian Government to Roumania?
2. Has the Roumanian Government paid such interest?
3. If not, why not?
4. What is the amount, if any, of such interest in default?

Sir HENRY DRAYTON:

1, 2, 3 and 4. No interest yet due by Government of Roumania.

In connection with Roumania a bond for $25,000,000 has been deposited with the Bank of Montreal, London, subject to the order of the Minister of Finance. Each month a statement of the advances, including interest from the date of the advance to the end of the month at 5½ per cent is sent forward and the Bank of Montreal endorses on the bond the total amount of such account. When all payments for contracts entered into previous to December 31, 1919, have been made this bond will be exchanged for dollar debentures of the Government of Roumania carrying interest at 5½ per cent payable half yearly. These payments are expected to be completed by August 1 and interest will not be due until such exchange has been effected.

### INTEREST IN ROUMANIAN ADVANCE.

*Mr. ARCHAMBAULT:

1. Are the interests on the Roumanian bonds given to Canada as guarantee for loans now past due?
2. Were said interests paid to Canada, and when?
3. What were the amounts of said interests?

Sir HENRY DRAYTON:

1. No.

2 and 3. Answered by No. 1.

### ADVANCES TO ROUMANIA AND GREECE.

Mr. RINFRET:

1. Are there any sums of interest coming due during 1919 and since then on the amounts loaned by the Canadian Government to Greece and Roumania?

2. If so, have these sums been paid, and on what date?

3. If not, by which country have they not been paid? And on what date were they due?

Sir HENRY DRAYTON:

1, 2, and 3. No interest payable in 1919. First payment of interest from Government of Greece due June 30, 1920.

In connection with Roumania a bond for $25,000,000 has been deposited with the Bank of Montreal, London, subject to the order of the Minister of Finance. Each month a statement of the advances, including interest from the date of the advance to the end of the month at 5½ per cent is sent forward and the Bank of Montreal endorses on the bond the total amount of such account.

When all payments for contracts entered into previous to December 31, 1919, have been made this bond will be exchanged for dollar debentures of the Government of Roumania carrying interest at 5½ per cent payable half yearly. These payments are expected to be completed by August 1, and interest will not be due until such exchange has been effected.

SUPERANNUATION OF MR. A. D. DECELLES.

*Mr. GAUVREAU:

1. What are the reasons put forward by the Hon. the Prime Minister to require the superannuation of Mr. A. D. DeCelles, and replace him by Mr. J. de L. Taché?

2. What is the salary attached to the position of Librarian of Parliament, and what will be the amount of superannuation to be granted to Mr. DeCelles?

Rt. Hon. Sir ROBERT BORDEN:

1. The retirement of Mr. A. D. DeCelles, C.M.G., as Parliamentary Librarian, who was appointed in 1880 and who had arrived at the age of 76 years, had been under consideration for some time before it actually took place. Mr. DeCelles was not required to retire and the date of his superannuation was left to his own good judgment, as it was thoroughly realized that his services as librarian had been conspicuous and worthy in very sense. In the reorganization of the Printing Bureau it was found unnecessary to continue the office of King's Printer in view of the necessity for the appointment of a director with special qualifications of training and experience. As Mr. Taché possessed in an eminent degree the literary and other qualifications for appointment to the office of librarian it was decided to offer him that position which he accepted.

2. Salary of the Librarian of Parliament, $6,000 per annum.

Superannuation granted to Mr. DeCelles, $3,772.22 per annum.

TAX ON CINEMATOGRAPHIC FILMS.

Mr. ETHIER:

What is the amount collected by the Government, by virtue of the Income Tax Act, on cinematographic films during the years 1917, 1918 and 1919, for each year separately.

Sir HENRY DRAYTON: I think that question should be re-framed. It cannot be answered as it now stands because there is no tax placed on cinematographic films under the Income Tax Act. The hon. gentleman could get the information as to the tax that was paid for cinematographic films under the special War Revenue Act.

Mr. SPEAKER: Dropped.

LOSS OF GOVERNMENT VOUCHERS AT SEA.

*Mr. SINCLAIR (Guysborough):

1. With reference to the statement of the Honourable President of the Council, page 3094 unrevised Hansard, that two shiploads of vouchers have been sunk by German submarines, on what dates respectively were the said shiploads sunk?

2. What are the names of the ships, their tonnage, and also the names of the captains of said ships at the dates on which the sinkings took place?

3. If these lost vouchers related to expenditures of the Department of Militia and Defence overseas, to which branch of said department did they relate?

4. Were duplicates preserved?

5. Have any of these two shiploads of vouchers ever been recovered?

6. Can the Government give an approximate estimate of the total amount of the expenditures covered by the lost vouchers, and if so, what is the amount?

7. How many tons of vouchers were lost?

8. If the weight of the lost vouchers is not available, how many cubic feet of space did the boxes or packages containing these vouchers occupy?

Sir HENRY DRAYTON:

1. Shipments of Chief Paymaster's vouchers were lost in the ss. "Arabic" on 19th August, 1915, and in the "Hesperian" on 7th September, 1915.

2. Names of ships "Arabic" and "Hesperian,"—the department has no record of their tonnage or the names of the captains.

3. The vouchers related to the expenditure made by the Chief Paymaster overseas generally, and not to any particular branch.

4. Yes.

5. No—but this was only an inconvenience, as duplicates were retained in England.

6. $3,000,000.

7 and 8. Not known.

TAX PAID ON INCOMES OVER $100,000.

Mr. CLARK (Red Deer):

How many incomes of over $100,000 paid income tax in Canada in the last fiscal year?

Sir HENRY DRAYTON: Individuals—forty-eight.

SUPERANNUATION OF CHARLES EUGENE TACHE.

Hon. CHARLES MARCIL:

1. Has Charles Eugène Taché, District Engineer of the Public Works Department for Bonaventure and Rimouski, been superannuated?
2. If so, who replaces him? Is the appointment merely temporary, and does the Government intend to make a permanent appointment?

Hon. Mr. REID:

1. Yes.
2 (a) L. G. Trudeau; (b) temporary; (c) matter under consideration.

BRIDGE BETWEEN CAMPBELLTON, N.B. AND CROSS POINT, QUE.

Hon. Mr. MARCIL:

1. Has a deputation waited upon the Government lately asking for the construction of an interprovincial highway bridge over the Restigouche river between Campbellton, N.B., and Cross Point, Quebec?
2. If so, what answer was given to the application?

Hon. Mr. REID:

1 and 2. Request was made for this work but the reply made was that owing to financial conditions, the Government could not entertain the matter this year.

PROVINCIAL SALARIES AND INDEMNITIES TAXABLE.

Mr. SEGUIN:

1. Are the salaries paid by the provincial governments taxable under the Income Tax Act?
2. Are the indemnities granted to provincial ministers and members of the legislative assemblies, the salaries paid to sheriffs, protonotaries, registrars and clerks of the courts taxable under the Income Tax Act?
3. Are the salaries of judges of all the courts of this country, and also the superannuation allowances granted to said judges, taxable under the Income Tax Act?

Sir HENRY DRAYTON:

1. Yes.
2. Yes.
3. Yes, except the salaries and retiring allowances of judges covered by the Judges Act who were appointed previous to the 8th July, 1919.

## PAPER TABLED.

Copy of the surrender of certain Indian lands near Sarnia.—Hon. Mr. Meighen.

[Sir Henry Drayton.]

## UNOPPOSED MOTION FOR PRODUCTION OF PAPERS.

Mr. Archambault—For a return showing the names of the societies which have filed copies of policies complying with the provisions of the Insurance Act, 1910, Geo. V., chap. 157, section 115; the names of the societies which have neglected to file copies of policies as required by said Act, and to whom licenses have been issued for the current year; and names of any societies from whom licenses have been withheld.

## GRAND TRUNK ARBITRATION.

RUMOURED APPOINTMENT OF FORMER PRESIDENT TAFT AS GOVERNMENT ABITRATOR.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX (Maisonneuve): I notice in the press this morning the statement that former President Taft has been appointed an arbitrator in the approaching arbitration proceedings between the Grand Trunk and the Government. May I ask the Government if this is true?

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): I think that was stated in the press merely as a rumour. There has been no appointment made.

## RACE TRACK LEGISLATION.

ATTENTION DRAWN BY THE PRIME MINISTER TO REPORTED STATEMENT BY REV. DR. SPEER IN METHODIST CONFERENCE, TORONTO.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): Just as I entered the House this afternoon my attention was directed to an extraordinary despatch which appears in today's Ottawa Citizen, and which purports to emanate from Toronto. It is as follows:

EXPECTED THE RACE MEN TO WIN OUT.

Toronto, June 13.—Rev. Dr. Chown, general superintendent, informed the Methodist conference yesterday morning that he had sent letters to Ottawa declaring the position of the Methodist church on race track gambling.

Rev. Dr. Speer stated that letters were of no avail in this case, "but money in the lobby. We hadn't the money. I hope the department did something. It was a foregone conclusion that these men of the race track would get what they wanted."

As far as my knowledge goes, and according to my firm conviction, the suggestion or implication contained in the words of Dr. Speer, if he is correctly reported, is a most outrageous and scandalous libel.

Some hon. MEMBERS: Hear, hear.

Sir ROBERT BORDEN: I sincerely hope he is not correctly reported. Since my return to Parliament some five weeks ago I have not seen a race track man around the

lobby of this House, and I have not heard of one being here.

An hon. MEMBER: Nor have I.

Sir ROBERT BORDEN: The reflection upon Parliament by this gentleman, if he is correctly reported, is so serious that I thought it my duty to mention the matter openly and publicly, and to request His Honour the Speaker to consider what would be the appropriate action, if action be deemed advisable, for Parliament to take in the matter.

Some hon. MEMBER: Hear, hear.

Mr. MACKENZIE KING (leader of the Opposition): May I say that I believe the action of the Right Honourable the Prime Minister in drawing attention to any statement which reflects upon the independence of members of Parliament, will be approved by every member of the House. I join with my right hon. friend in the hope that the despatch as it appears in the press is not a correct report.

Mr. SPEAKER: I also hope that the despatch is not true but so far as I am concerned I shall feel it my duty to take such action in the matter, if it be true, as will properly preserve the honour and the dignity of Parliament

Mr. LAPOINTE: Hear, hear.

Mr. SPEAKER: Not only is the honour of members of the House of Commons involved in a statement of this character, but there is likewise involved the question of sapping and undermining public confidence in the representative institutions in a democratic country. It seems to me, therefore, that if the statement has been correctly reported it cannot be allowed to go unchallenged.

Mr. BUREAU: May I be allowed to offer a suggestion? I would ignore absolutely the fellow who indulged in such slander. To do otherwise would be giving him too much publicity. I would not bring him before the Bar of the House because that would be disgracing the bar. I would meet the statement with silent contempt.

Sir SAM HUGHES: The practice of indulgence in statements of this character is all too common throughout the country. If this man has any data to support such a statement he should come forward and acquaint the public with it. If he has not then his conduct should be stigmatized in the manner which such conduct deserves and he should be required to prove his words.

## POST OFFICE AND CUSTOMS DEPARTMENT.

### RUMOURED INVESTIGATION BY A UNITED STATES FIRM.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX: I notice in the Montreal Gazette of this morning a long editorial concerning the appointment of a United States firm to investigate the Post Office and Customs Departments of Canada, which firm, it is said, has been engaged at a figure of $10,000 per month. Is that a correct statement? If so, for what purpose is that investigation to be held?

Sir ROBERT BORDEN: My hon. friend the Minister of Trade and Commerce (Sir George Foster) has a motion on the Order Paper in regard to the matter. I think it would be undesirable to enter into a discussion in his absence and in advance of the motion itself.

## PICTOU HARBOUR.

On motion of Hon. C. C. Ballantyne (Minister of Marine and Fisheries) Bill No. 121, respecting the harbour of Pictou in Nova Scotia, was read the second time, and the House went into committee thereon, Mr. Boivin in the Chair.

On section 1—Short title.

Mr. BUREAU: I understand that this harbour used to be administered by a commission the same as the harbour of Three Rivers—

The CHAIRMAN: The hon. member's remarks are not in order on clause 1, which is merely the "short title" of the Bill.

Mr. BUREAU: For once you are right, Mr. Chairman, I apologize. I thought it was clause 2.

Section agreed to

On section 2—Property and rights vested in His Majesty.

Mr. BUREAU: I understand that the harbour of Pictou has heretofore been administered by a commission in the same way as the harbour of Three Rivers, and that hereafter all liabilities and expenditures are to be assumed by the Government, and that a department of the Government is to administer the harbour. Will there be any particular officer in Pictou to look after that administration? Will the Government hereafter charge any wharfage or dockage dues

to ships using this harbour, or will it be treated the same as our other harbours? Or is the fact that it is going to be administered by the Government an indication that the Government will assume the responsibility of improving the harbour without charging the expenditure against the harbour itself, this expenditure being paid from the Dominion Treasury? If that be the case, I would ask the minister to put the harbour of Three Rivers in the same position, because we require a lot of improvements there.

Mr. BALLANTYNE: My hon. friend has judged the situation correctly. The revenue from the port of Pictou has been decreasing year by year until at the present time the expenditure is about $450 in excess of the revenue. It is not the intention of the Government to undertake any new work there; the purpose of this Bill is simply to transfer the administration of the port from the Harbour Commission to the Department of Public Works. There have been many precedents for this action, and the transfer will not involve any extra expense to the Government that I can see. The question of liabilities was raised when the resolution was under discussion some weeks ago, and I have since ascertained that the Harbour Commission does not owe any money, but will be turning over to the department, if this Bill passes, about $186. With regard to the very important port of Three Rivers, I shall be very glad to give every consideration to the suggestion made by the hon. member for that constituency (Mr. Bureau).

Mr. LEMIEUX: Have you an estimate of how much money will be required to put the harbour of Pictou in good shape?

Mr. BALLANTYNE: As far as I understand, no expenditure will be necessary, the wharves being in a sufficiently good state of repair at the present time.

Mr. LEMIEUX: Are any repairs asked for?

Mr. BALLANTYNE: None.

Mr. LEMIEUX: I accept my hon. friend's word, for I know he is a business man and understands the value of figures. But, Mr. Chairman, I view with alarm the taking over by the Government of any of these public works. I have been surprised of late to receive from a firm of brokers a circular wherein the name of the Dominion is being paraded as endorsing the scheme for the improvement of the harbour of St.

[Mr. Bureau.]

John. It will be remembered that this harbour was taken over by the Government, but how I do not know.

Mr. BALLANTYNE: It has not been taken over yet.

Mr. LEMIEUX: Bonds are being issued to meet the expenditure on the harbour works, and those bonds are endorsed by the Government.

Mr. BALLANTYNE: Would the hon. member allow me a question?

Mr. LEMIEUX: I will conclude if my hon. friend pleases. I notice that those bonds are endorsed by the Dominion, and the name of the President of the Privy Council (Mr. Rowell), as Acting Minister of Public Works, is made use of in that circular. I have the greatest possible objection to the credit of the Dominion being used to assist enterprises of this nature. The public will be surprised when it becomes known that the treasury is being involved to the extent of millions of dollars for the St. John harbour improvements. I do not know if this has escaped the attention of the Government, but I was appalled when I saw that our national credit was being pledged in that way.

The CHAIRMAN: Before the hon. minister replies—and I think a reply would now be quite in order—I take it for granted that this reference to the harbour of St. John is only by way of comparison.

Mr. LEMIEUX: Yes.

The CHAIRMAN: Because it will be entirely out of order to enter into a general discussion concerning the harbour of St. John in connection with this Bill.

Mr. LEMIEUX: I am afraid of the prospect of any further dealings with harbour commissions in the Maritime Provinces. We were assured when the subject of the St. John harbour works was before the House that everything was above board. Now we find that gentlemen at St. John are selling harbour bonds,—and it is quite easy for them to get the money when the name of the Dominion appears as the guarantor of those bonds. We are taxed beyond the human limit, and the people of this country are quite willing to be so taxed, but only in a legitimate way, and they will not tolerate any such incursions on the Government Exchequer.

Mr. BALLANTYNE: It is true that a year ago authority was given by Parliament for the taking over, under conditions clear-

ly specified in legislation introduced for that purpose, of the port of St. John and placing it under a commission. But effect could be given to that legislation only after the city of St. John held a referendum in which the majority of the people declared themselves in favour of nationalizing the port and placing it under a commission. Such a referendum has not yet been held; therefore the port has not been nationalized—

Mr. LEMIEUX: Has my hon. friend seen the circular—

Mr. BALLANTYNE: Just allow me to finish. The Government, accordingly, did not guarantee any of the debentures for the city of St. John, so far as my knowledge goes. They will do so only after a referendum is taken and the harbour passes under the jurisdiction of the Minister of Marine. At present the city of St. John do their own financing for the port; the Dominion Government do not guarantee any of their debentures.

Mr. CAHILL: When the resolution was before the committee I asked why special treatment was given in this particular case. For instance, I have a communication from residents of Fabre, on lake Timiskaming, who claim that their dock was damaged by the ice last winter and that they have been obliged to land their goods on the shore; yet they are paying wharfage dues. Why are these people treated differently from the people of Pictou? What is the policy of the Government in regard to wharves where dues are being paid but where the necessary accommodation is not being furnished? Will it be necessary for the minister to bring in a Bill for each one?

Mr. BALLANTYNE: This procedure has been followed on more than one occasion. For instance, under my predecessor, Sir Douglas Hazen, the harbour of North Sydney was transferred from the Department of Marine to the Department of Public Works. I mention only this instance now, but I could cite many other similar cases. I would suggest that my hon. friend (Mr. Cahill) should write me in regard to the particular harbour that he speaks about. If the revenue there is not sufficient to keep the wharf in a satisfactory state of repair, it would be quite in order for me to bring the matter to the attention of this House, as has been done in the case of Pictou harbour.

Mr. DUFF: If this Bill passes will the business of the port be conducted by the harbour master or by an engineer of the Department of Public Works when repairs are necessary?

Mr. BALLANTYNE: The business of the harbour will be conducted by the harbour master, who will be under the Public Works Department.

Mr. McKENZIE: I would like to know definitely from the minister what the policy of the Government will be after the authority which has hitherto been vested in harbour commissions has been done away with. How will the works that are now in existence be maintained? Under present conditions, whatever money these commissioners get is used for the building of wharves and breakwaters and their maintenance, as well as a little dredging. The minister mentioned the harbour of North Sydney. We have a few works in that harbour which were built by the commission. The breakwater near the north end of the harbour is so old that I cannot tell the minister whether it was built by the commission or not. I do know that while the commission were in existence they used to repair the breakwater and keep it in shape. During the last two years, since the commission went out of existence, the whole of the harbour and its works have been under the control of the Government, and I have been instructed by men interested in the conditions at North Sydney that this breakwater, which is a very useful structure, affording protection to the whole harbour and particularly to the coal and iron ore piers of the Nova Scotia Steel Company, is falling into decay or disrepair. Very little money will keep it in repair, but if it is broken up or destroyed by the action of the sea it will cost a great deal to put it in good condition. I bring this matter to the notice of the minister with a view to his seeing that this useful breakwater is not allowed to be broken up or destroyed.

Section agreed to.

On section 3—obligations assumed by His Majesty:

Mr. DUFF: The minister has said that there were no obligations or liabilities; yet this section provides:

> All proceedings in any court either instituted by or against the said Commissioners may be proceeded with as if this Act had not passed.

That would seem to indicate that there are liabilities and obligations.

Mr. BALLANTYNE: This is merely put in for legal purposes so that if any one should resurrect a claim that we do not know of at present, action shall lie against

His Majesty the King instead of against the harbour commissioners of Pictou.

Mr. DUFF: There are no liabilities, then?

Mr. BALLANTYNE: No.

Mr. McKENZIE: I understood the minister to give his assent to what I suggested in regard to the harbour of North Sydney, though he did not say so; and that he is willing to look after these works and keep them in repair. The people of North Sydney, who will be watching Hansard in order to see what it has to say in regard to the matter, will not be able to obtain from Hansard what is in the mind of the minister. I should, therefore, like him to declare in a general way his policy as regards those works that are being taken over. I am sure the policy will be to maintain them, and that being the case, it will be more satisfactory to our people who are now at the mercy of the Government as regards the maintenance of those works, if the minister puts a declaration of his policy on Hansard.

Mr. BALLANTYNE: The reason I did not make a direct answer to my hon. friend is due to the fact that the port of North Sydney comes under the Public Works Department and not the Department of Marine. I see the Acting Minister of Public Works is not in his seat, but I shall be very glad to bring to his attention the representations made by my hon. friend in that regard.

Section agreed to.

Bill reported, read the third time and passed.

## INLAND REVENUE ACT AMENDMENT.

On motion of Hon. Martin Burrell (Minister of Customs and Inland Revenue), the House went into committee to consider the following proposed resolution, Mr. Boivin in the Chair:

Resolved, That it is expedient to bring in a measure to amend the Inland Revenue Act, chapter 51 of the Revised Statutes of 1906, and to provide:—

1. That the definition of "chemical still" in paragraph (g) of section 3 of the said Act be amended so as to include the provision that "chemical still" shall mean any distilling apparatus the measured content of which is less than fifty gallons; and that section 150 be amended by providing that a chemist or druggist using a chemical still, the measured content of which does not exceed three gallons, may be permitted to use the same upon registration as provided therein;



2. That the definition of "standard leaf tobacco" in paragraph (c) of section 8 be amended so as to include the provision that "standard leaf tobacco" as applied to any kind of tobacco means that which contains ten per cent or more of moisture;

3. That section 155 be amended to provide for abatements to be allowed in the computation of duty upon spirits, for shrinkage by evaporation while maturing, when stored in warehouse in wooden or in ventilated metal tanks or in wooden barrels;

4. That section 171 be amended to provide that the Governor in Council may suspend, during such period or periods as he may deem necessary, the operation of subsection 4 of this section, which provides that no spirits subject to excise which have not been warehoused for at least two years shall be entered for consumption;

5. That section 180, respecting distilling without license, be amended by increasing the penalty of not less than $100 for a first offence to a penalty of not less than $200; and that section 185, respecting the sale of spirits unlawfully manufactured, be amended by increasing the penalties for a first offence not exceeding $50, and not less than $10, and for each subsequent offence, a penalty of $100, to penalties respectively not exceeding $500 and not less than $200, and for each subsequent offence a penalty of $500;

6. That section 180, respecting distilling without license, be further amended by adding a subsection to provide that in every prosecution under this section, the certificate of analysis from a Departmental Analyst shall be accepted as evidence of the alcoholic content of the beer or wash suitable for the manufacture of spirits;

7. That subsection 1 of section 198 be amended to provide that the bond to be given by a brewer shall be in the sum of $2,000 instead of $1,000;

8. That section 252 be amended to provide that the excise duty on spirits used in any bonded factory in the production of vinegar, on every gallon of the strength of proof by Sykes' hydrometer, shall be 27 cents, and so in proportion for any greater or less strength and for any less quantity than a gallon;

9. That section 255 be amended that there may be a remission of duty on malt used in the manufacture of vinegar, or malt used in combination with cereals, in such proportion as is established by the Governor in Council;

10. That subsection 2 of section 266 of the said Act, as enacted by section 7 of chapter 34 of the statutes of 1908, be amended to provide that the words "Methyl Hydrate—Poison" in black letters not less than one-quarter inch in height be affixed by containers of methyl alcohol in medicinal preparations intended for external use;

11. That section 267 be amended to provide that the Governor in Council may from time to time make regulations respecting the sale of spirits to be used for any chemical or manufacturing purposes not otherwise provided for;

12. That section 282 be amended by adding a subsection to provide that the Department may authorize the preparation of tobacco and cigars in packages of such size and the issue of stamps in such denominations to govern the same as may appear advisable, but as to the necessity or advisability of issuing such stamps, the department shall be the sole judge;

13. That section 316, as enacted by section 19 of chapter 34 of the statutes of 1908, be

amended to provide that no less quantity than 5,000 cigars shall be entered for warehouse by one entry, and except for export no less quantity than 2,000 cigars shall be ex-warehoused by one entry;

14. That the said Act be amended by adding thereto a section, 328B, to provide (1) that every person who desires to pack or cure Canalian Leaf Tobacco shall make application to the Collector of Inland Revenue for the division in which his premises are situated, for a license therefor; for which license the packer shall pay a sum of $50 and furnish a bond of a guarantee company, approved by the Department, for the sum of $1,000; and he shall keep such books and make such returns as shall be required by the Department; (2) that the Minister may make such regulations as he deems advisable respecting the sale of Canadian Leaf Tobacco by cultivators, packers and retail dealers and for the carrying out of the provisions of this proposed section; (3) that a packer, for the purpose of this section, is a person or firm, other than a cultivator and other than a retail merchant selling direct to a consumer, who prepares, packs or keeps Canadian Raw Leaf Tobacco for sale to a licensed packer, licensed manufacturer, licensed cultivator, retail merchant, or for export; and (4) that the penalty for violating any provision of this section or refusing or neglecting to comply with the requirements of the Act or any regulations made thereunder, shall be a fine of not less than fifty dollars and not exceeding two hundred dollars or to imprisonment for a term not exceeding two months or to both fine and imprisonment, and all Canadian Leaf Tobacco found in the possession of any person so violating this section shall be forfeited to His Majesty;

15. That section 366 and 367 be repealed, and in lieu thereof it be enacted that acetic acid may only be sold under the name of acetic acid, and no manufacturer, vendor or other dealer in the same shall be permitted to sell or offer for sale acetic acid under the name or as a substitute for vinegar, and that the penalty for violation of this provision shall be not less than $200, and all acetic acid found on the premises wherein any such offence is committed shall be forfeited to the Crown, and shall be seized by any officer of Inland Revenue and dealt with accordingly.

16. That section 251, relating to the supply of wood naphtha, wood alcohol, or methylated or other denaturalized spirit to be used for manufacturing purposes in Canada, and Part X of the said Act, as enacted by chapter 34 of the statutes of 1908, respecting the manufacture of wood alcohol, be repealed, and that in lieu thereof a new Part X be enacted to provide:—

(a) That "denatured alcohol" shall mean alcohol in suitable admixture with such denaturants as to render it in the judgment of the Minister non-potable, and to prevent recovery of the ethyl alcohol; and "especially denatured alcohol" shall mean alcohol in suitable admixture with such special denaturants as have been approved by the Minister;

(b) That denatured alcohol and specially denatured alcohol which is intended for use in the arts and industries, or for fuel, light or power, or for any mechanical purpose, may be manufactured in Canada, free from excise duty;

(c) That except as provided by this Part no alcohol shall be manufactured, denatured or recovered in Canada except in distilleries thereto licensed;

(d) That denatured alcohol shall be sold, delivered and transported without restriction to dealers, manufacturers and other persons, but specially denatured alcohol shall only be sold or delivered under a departmental permit to dealers and manufacturers, to be used in the arts and industries in cases where denatured alcohol would be unsuitable, and shall only be moved or transported under such conditions as the Minister may, by regulations, prescribe;

(e) That no alcohol shall be manufactured or sold under the provisions of this Part for beverage purposes;

(f) That the recovery of alcohol after it has been used for industrial purposes, and its redistillation and purification shall only be done on the premises in which the alcohol was used or at a duly licensed distillery, and all alcohol recovered on the premises aforesaid must be used in the same manufacturing establishment in which it was originally used;

(g) That labels on vessels containing wood alcohol or denatured alcohol shall bear the words "Methyl-Hydrate-Poison" in black letters on white ground not less than one-fourth of an inch in height.

(h) That as respects wood alcohol a license shall be required to carry on its manufacture, approved by the district inspector, and the manufacturer shall, jointly with a guarantee company approved by the Department, enter into a bond to His Majesty in the sum of $4,000, conditioned for the rendering of all accounts, inventories and returns required by law, for the payment of all penalties incurred by the licensee, and for faithful compliance with the requirements of the Act; and the person in whose favour a license is granted shall pay a license fee of one dollar upon receiving such license;

(i) That any person who holds in possession, sells, exchanges or delivers any alcohol or specially denatured alcohol contrary to the provisions of this Part shall be liable upon summary conviction, to a penalty of not less than two hundred dollars and not exceeding five hundred dollars; and all the provisions of Part II of the said Act respecting bonded manufacturers, licenses, and the obligations of persons holding them, the keeping of books of accounts and the making of returns, and all provisions respecting penalties, so far as applicable, shall apply to the manufacture of wood alcohol, the manufacture, denaturing, special denaturing and recovery of alcohol, and the persons licensed as herein provided.

Mr. STEVENS: I wish to bring to the attention of the minister a matter I have already taken up with his department and to ask that before the Bill is finally passed the request I am going to make be given consideration. Owing to the increased tax on alcohol, the cost to hospitals will be considerably increased. I am informed by the Vancouver General Hospital, for instance, and the same will be true in varying degree of all hospitals, I presume, that the increased tax will result in additional cost to that one hospital, which is a very large institution, of upwards of $3,000 per annum. As there are many hospitals, the cost will

be increased to them very, very materially in the aggregate. I would suggest to the minister that when the Bill is brought down it should contain a provision that spirits used exclusively in hospitals for medicinal purposes shall be exempt from taxation.

Mr. BURRELL: My hon. friend will doubtless appreciate the difficulties that face the department in the control of alcohol after it leaves the distillery. It is quite true that under the present Act alcohol used for any purposes whatsoever and whether it went to hospitals or elsewhere would have to pay the excise duty of $2.40 a gallon. When it was proposed to amend the Act last year there was quite a strong appeal made by the various hospitals and by scientific laboratories in the country to have alcohol which was used in hospitals and in laboratories for research purposes exempted from the tax. The matter has been given some consideration. In respect to the particular point my hon. friend raises I may say that to grant his request would in effect be giving the hospitals another form of subsidy. With the additional duty of $2 hospitals will pay for the alcohol they use for medicinal purposes a duty of $4.40 a gallon. It is quite true that if the additional $2 was not imposed in the case of hospitals, or if the whole excise tax was not imposed in their case, it would be a great benefit to the hospitals, but it would, of course, entail that much loss of revenue to the Government. In effect, therefore, it would be giving the hospitals a subsidy. Let us assume for the sake of argument that the excise duty paid by the Vancouver General Hospital to which my hon. friend has referred, on the alcohol it used during the year was a little over $2,000. To meet my hon. friend's request would simply mean that the treasury of this country would be practically foregoing $2,000 for the benefit of that hospital. It is an arguable point whether hospitals should be subsidized by the noncollection of that revenue. It is a question whether the additional money required for the payment of that alcohol should be given as a direct subsidy by the Government or should be subscribed by those who at the present time support the hospital. I need hardly say that I have a great deal of sympathy personally with the view expressed by my hon. friend, and which has been put before the department from many different sources in Canada. I shall be quite willing to give the matter fuller consideration before the Bill is brought down. In the meantime I would suggest that my hon. friend let the matter stand.

[Mr. Stevens.]

Mr. SINCLAIR (Guysborough): It has been represented to me that the imposition of a tax on alcohol and the numerous restrictions placed upon its use by the department have made alcohol very expensive and have hampered scientific men in their investigations requiring its use. I am not familiar enough with the subject to judge whether these criticisms are valid or not, but I just wish to direct the minister's attention to this matter, which has been called to my attention by a college professor, and I should like to know if there is any reason for the imposition of these restrictions.

Mr. BURRELL: My hon. friend's point touches to some extent the point raised by my hon. friend (Mr. Stevens). It is true that as regards commercial work we are making a great advance because under this Bill we are providing for the elimination of the excise duty on the ethyl alcohol when converted by the addition of wood alcohol into methylated spirits; but I do not think that is exactly the form of alcohol to which my hon. friend refers. The point raised by my hon. friend from Guysborough is more in relation I think to the ethyl alcohol used for scientific purposes. It is true that it would be a great benefit to have this exempt from the tax, but I must point out the objection that exists in the case of all these exemptions from the duty, and that is in connection with releasing the alcohol from the distilleries into other people's hands in a form in which it can be used for beverage purposes. With the recently added duty the total duty on alcohol will be $5 on the imported and $4.40 excise. My hon. friend will understand the frantic desire of gentlemen of a bibulous temperament, of whom there seem to be still a great many in the country, to get hold of this alcohol, and the great difficulty of control when once out of our hands. Under the present prohibitory legislation of this country—and I am not pronouncing an opinion upon it from a moral standpoint, but simply looking at it in a cold-blooded business-like way so far as operating the department is concerned—the result has been that owing to the high and mounting costs of spirits of all kinds, where about two years ago we were only prosecuting a score or so of people for manufacturing spirits by illicit stills, the number last year amounted to nearly nine hundred, and I venture to say we have only touched the fringe. Every form of alcohol that can be used for beverage purposes becomes increasingly difficult to control directly it leaves our hands.

It cannot leave our hands until the duty is paid by the distillery but directly we give it into other people's hands to be used for different purposes, it is going to make it an exceedingly difficult matter to control. It is rather a serious question for the department to consider. As the matter stands at present I have not been disposed to grant freedom from the excise duty to ethyl alcohol used for the purpose which my hon. friend speaks of although, I repeat, we have made a very great concession by permitting denatured alcohol to be free of excise duty and that, I think, will give a great impetus to commercial and industrial work.

Mr. ARMSTRONG (East Lambton): What duty does this law impose on ethyl alcohol when imported for industrial purposes and what is the excise duty on alcohol manufactured in this country?

Mr. BURRELL: Methylated spirits can only be imported by the department under the Act as it stands. The department itself, under the law, has been the sole maker and dispenser of methylated spirits. There is a duty on wood alcohol that is brought in, and, of course, on alcohol, but up to the present time we have been the sole makers and dispensers of methylated spirits. The Bill would give us the power to grant licensees the privilege of importing. On wood alcohol, the duty, I think, is twenty cents a gallon.

Mr. ARMSTRONG: And the excise?

Mr. BURRELL: There would be no excise duty on wood alcohol.

Mr. BELAND: Does the department import any methylated spirits?

Mr. BURRELL: No, we make them all. The department has been purchasing ethyl alcohol and wood alcohol, and then making the methylated spirits, the methylated spirts when ethyl and wood alcohol are mixed together being such that the alcohol is non-recoverable for drinking purposes.

Mr. BELAND: No excise duty is being paid on ethyl alcohol?

Mr. BURRELL: Yes, on ethyl alcohol.

Mr. BELAND: It makes the methylated spirit pretty high for the department to dispense?

Mr. BURRELL: We do not pay the duty and therefore we do not calculate the duty as being a part of the cost, but even at that it is urged that the department cannot make it as cheaply as people would be able to get it if they were allowed to go into the business of making ethyl alcohol and also methylated spirits. But there has been some dispute about that. I do not think that the anticipations some of them have as to cheaper industrial alcohol will be realized in the future. It is a somewhat difficult matter, however, to keep up to the requirements unless we enlarge our plants, and this Bill will allow others to go into the business.

Mr. BELAND: What is the price of methylated spirits?

Mr. BURRELL: I think we got it down as low as ninety cents a gallon one time; it is somewhere between that and $1.20. I will give my hon. friend the precise figures in reference to this. Before the resolution is carried I might refer very briefly to one or two other provisions. There are several clauses in the resolution which very much increase the penalties in connection not only with illicitly distilling, but also with the selling of liquor illicitly distilled. Under the old Act a man who distilled without a license was only fined $100 for the first offence. This is increased to $200, it being quite manifest that if he illicitly distilled a barrel or two the product would be worth more than the fine and therefore we have thought that we ought to double up on the fine in order that he will run a very much greater risk. Similarly, under the old law, the penalty for a man who got the liquor that was illicitly distilled and then sold it was almost nominal. The fine imposed on that man is heavier than the fine imposed on the man who illicitly distills. I think the House will be thoroughly in accord with the amendment. The resolution deals with another important matter that I would like to take up a little more explicitly when the Bill comes down and that is the complete change in the administration of the Act in respect to vinegar and acetic acid. Last year this Bill was brought up and there was very strong opposition to it on the part of certain firms who had been manufacturing acetic acid by a new process and who objected very strongly on the ground that it was a deterrent to a lot of our manufacturing processes to tax acetic acid at the rate of four cents a gallon. When the Act first came into force they charged the vinegar man not on the spirits that were used in the making of the vinegar but on the acetic acid contained in the vinegar when it was manufactured, four cents a gallon. There was another clause in the Act which imposed a duty of four cents a gallon on the acetic acid produced from wood alcohol. Subsequent to this time and

during the war there has been a process devised by which they can get acetic acid in very much greater purity from other sources and consequently we found it necessary to consider whether we should impose that four cent duty on all forms of manufactured acetic acid or leave it off altogether. On giving the matter very full consideration we have decided to revise the method of taxing the vinegar men and we have decided to tax them on the spirits and not on the acetic acid contained in the vinegar and then to free acetic acid altogether from taxation. I think that in so far as revenue goes the thing will about balance and it will give a very great impetus to a whole lot of manufacturing processes.

Mr. ARMSTRONG (East Lambton): Was it the manufacturers or the producers of leaf tobacco who asked for the change set forth in section 2:

That the definition of "Standard Leaf Tobacco" in paragraph "C" of Section 8 be amended so as to include the provision that "Standard Leaf Tobacco" as applied to any kind of tobacco means that which contains ten per cent or more of moisture.

Mr. BURRELL: That is a matter that has been deemed extremely desirable by the department itself. At the present time the law in reference to standard leaf tobacco says tobacco "which contains ten per cent of water and ninety per cent of solid matter." On raw leaf tobacco that comes in some will have ten per cent of moisture, some twelve, some sixteen and some perhaps eighteen. This tobacco is tested and dried, and if it has ten per cent of moisture they are charged on ninety per cent of tobacco; if it goes to sixteen per cent, they are allowed six per cent for moisture. If on the other hand it goes only eight per cent they are charged on ninety-two per cent. The consequence is that it involves not only a great amount of work but results in a confused lot of tests. We have considered it would be only fair to cease the practice altogether and to say that tobacco shall be taken to mean tobacco containing ten per cent moisture and no more. If it is above ten per cent, say twelve per cent, importers are penalized to that extent. The matter will adjust itself immediately because what will happen will be that the man who is shipping tobacco will simply dry it to ten per cent. It will mean the release of a large number of our men for the purposes of other work and permit the operations of the department to be conducted expeditiously and without inconvenience to those concerned.

[Mr. Burrell.]

Mr. McKENZIE: I may not have caught the full force of the minister's statement in regard to some sale that he mentioned. I understood him to say that he was providing against the sale of illicit liquors. I may be wrong in that but if so I think it is practically new ground for the Dominion to cover. I understood that when what we call liquors get into the shape of being commercial commodities they came under the jurisdiction of the province entirely, and that the provincial authorities would have the say as to what the punishment would be for selling anything in the shape of intoxicating liquors. I do not think that we have the power to make laws of that kind.

Mr. BURRELL: Section 185 of the Inland Revenue Act provides as follows:

Every person who sells or offers for sale, or who purchases any spirits, or has any spirits in his possession, knowing them to have been unlawfully manufactured or imported, shall, for first offence, incur a penalty not exceeding fifty dollars, and not less than ten dollars, and for each subsequent offence, a penalty of one hundred dollars; and all spirits so unlawfully manufactured or imported, wheresoever they are found, and all horses and vehicles and other appliances which have been or are being used for the purpose of removing the same, shall be forfeited to the Crown, and shall be dealt with accordingly.

It is considered necessary for the Inland Revenue Department to have the entire control of all manufacture of spirits and this legislation not only increases the penalty against those who manufacture liquor illicitly, but with respect to those who try to sell it and are detected the fines are greatly increased.

Mr. McKENZIE: Has that been the law heretofore?

Mr. BURRELL: Yes, it has been the law for years.

Resolutions reported and read a first and second time; thereupon Mr. Burrell moved for leave to introduce Bill No. 178 entitled an Act to amend the Inland Revenue Act, chapter 51 of the Revised Statutes of 1906.

Motion agreed to, and Bill read the first time.

## NAVAL DEFENCE OF THE EMPIRE.

### STATEMENT BY HON. C. C. BALLANTYNE, MINISTER OF NAVAL AFFAIRS.

On motion to go into Supply.

On the motion for the House to again go into Committee of Supply:

Hon. C. C. BALLANTYNE (Minister of Naval Affairs): Mr. Speaker, before this resolution carries I would ask to be per-

mitted to give some details to the House regarding the naval expenditures of the Government, and also, so far as I am in a position to do so, in reference to matters of future policy. First let me say that at the Imperial Conference in London which I attended, in company with the Prime Minister (Rt. Hon. Sir Robert Borden) and others of my colleagues in the Government, the question of naval policy, either for Canada or the Empire, was not discussed.

Mr. DUFF: To what year has the minister reference?

Mr. BALLANTYNE: 1918. Certain negotiations, however, took place between the British Admiralty and the overseas representatives who were in London at the time. I myself, on certain occasions, discussed the naval defence of Canada with the First Sea Lord of the Admiralty, Sir Roslyn Wemyss, and also with the First Civil Lord, Sir Eric Geddes. I also had the good fortune to have my right hon. friend the Prime Minister accompany me on one occasion when we reviewed the whole situation frankly and fairly. As a result of these conferences with the Admiralty a meeting of the Overseas Prime Ministers was held at the Savoy Hotel, London. Sir Robert Borden occupied the Chair at that meeting. and after a full discussion a memorandum was prepared, passed upon, and sent to the Admiralty, its date being 15th August, 1918. Before I read that memorandum I might be permitted to submit a letter accompanying it which was sent by Sir Robert Borden:

Imperial Conference, 1918.

Decision of Dominions' Ministers re Naval Policy of Dominions.

Offices of the War Cabinet,
2 Whitehall Gardens, S.W. 1.
15th August, 1918.

Dear Sir Eric Geddes,—

I am afraid the brevity of the time at my disposal will prevent me bringing up in the Imperial War Cabinet the subject dealt with in the Admiralty memorandum.

I have, however, consulted the Prime Ministers of the Dominions, who (with the exception of the Prime Minister of Newfoundland), have expressed their approval of the accompanying memorandum.

The Prime Minister of Newfoundland has been requested to communicate with you direct on the subject.

Faithfully yours,
(Sd.) R. L. Borden.

The Right Honourable
Sir Eric Geddes, K.C.B., C.B.E., M.P.

The memorandum, which received the approval of all the Overseas Prime Ministers, with the exception of Dr. Lloyd, Premier of Newfoundland, reads as follows:

Memorandum.

The Dominion Ministers, having considered the Admiralty Memorandum of May 17, 1918, on the Naval Defence of the British Empire, which was circulated to the Imperial War Conference, 1918, submit the following conclusions and observations.

1. The proposals set forth in the Admiralty Memorandum for a single navy at all times under a central naval authority are not considered practicable.

2. Purely from the standpoint of naval strategy the reasons thus put forward for the establishment of a single navy for the Empire under a central naval authority, are strong but not unanswerable. The experience gained in this war has shown that in time of war a Dominion Navy (e.g. that of Australia), can operate with the highest efficiency as part of a united navy under one direction and command established after the outbreak of war.

3. It is thoroughly recognized that the character of construction, armament and equipment, and the methods and principles of training, administration and organization, should proceed upon the same lines in all the navies of the Empire. This policy has already been followed in those Dominions which have established naval forces.

4. For this purpose the Dominions would welcome visits from a highly qualified representative of the Admiralty who, by reason of his ability and experience, would be thoroughly competent to advise the naval authorities of the Dominions in such matters.

5. As naval forces come to be developed upon a considerable scale by the Dominions it may be necessary hereafter to consider the establishment for war purposes of some supreme naval authority upon which each of the Dominions would be adequately represented.

In consequence of the foregoing memorandum the Admiralty sent a highly technical and distinguished naval officer in the person of Admiral Viscount Jellicoe to visit the overseas Dominions.

Mr. DUFF: Before the minister proceeds, would it be a breach of confidence on his part to tell us what the suggestion in the memorandum was to which the Prime Minister of Newfoundland refused to agree?

Mr. BALLANTYNE: I desire to make it abundantly clear that the Prime Minister of Newfoundland did not refuse to agree to the suggestions contained in the memorandum. He did not happen to be present at the Conference between the overseas Prime Ministers, for what reason I am unable to state now, but I have no ground to suppose that the then Prime Minister of Newfoundland would have raised any dissenting voice to the memorandum I have just read.

Mr. DUFF: Has he agreed to it since?

Mr. BALLANTYNE: No. I was proceeding to say, Mr. Speaker, that as a result of this memorandum submitted on behalf

of Canada, South Africa, Australia and New Zealand, Admiral Viscount Jellicoe was instructed by the British Admiralty to visit the overseas Dominions, to consult with their governments, and to make reports to them as to what in his opinion would be the best policy for their adoption. Hon. members are quite familiar with the very lucid and useful suggestions offered to the Government of Canada by Lord Jellicoe whose report I tabled some weeks ago.

This Government carefully considered the suggestions contained in that report, but in view of the conditions which I mentioned to this House some weeks ago we decided to defer taking any action on them for the present. With the kind permission of hon. members I will again read to the House that memorandum in order that my remarks on Naval Affairs may appear in consecutive order in Hansard. This is the memorandum which I read on a previous occasion:

> The Government has had under consideration for some time the question of the naval defence of Canada and the suggestion of Admiral Viscount Jellicoe in reference thereto.
>
> In view of Canada's heavy financial commitments and of the fact that Great Britain has not as yet decided on her permanent naval policy, and of the approaching Imperial Conference at which the question of naval defence of the Empire will come up for discussion between the Home Government and the Overseas Dominions, it has been decided to defer in the meantime action in regard to the adoption of a permanent naval policy for Canada.
>
> The Government has decided to carry on the Canadian Naval Service along pre-war lines and has accepted the offer of Great Britain of one light cruiser and two torpedo boat destroyers to take the place of the present obsolete and useless training ships, the Niobe and Rainbow.
>
> The Minister of Naval Service, in order to be free to thoroughly reorganize and place the present service on an economical and efficient basis, has issued orders for the demobilization of all officers and naval ratings and for the discontinuance of civilian help at headquarters and at the Naval Dockyards in Esquimalt and Halifax. The Canadian officers who are in the Imperial fleet and who are now being paid by the Canadian Government will be recalled and placed on duty with the Canadian Naval Service. The Naval College will also be continued. After reorganization has been completed, only those officers and other ratings and civilians will be taken on who are absolutely necessary and possess the qualifications desired.

I have nothing to add to that except to say that it is the Governments official statement on naval affairs at the present time.

Mr. LEMIEUX: I did not hear exactly what my hon. friend said about the offer of some ships from the Mother Country to replace the Niobe and Rainbow. Has the Government accepted those ships?

[Mr. Ballantyne.]

Mr. BALLANTYNE: The Government has not officially taken them over. Captain Hose, the Acting Director of Naval Service, is in England at the present time looking into the details, but the Government has officially notified the Admiralty that we do gratefully accept the offer of one modern light cruiser and two modern torpedo boat destroyers. I will have something more to say in regard to that offer as I proceed.

Mr. LEMIEUX: Are any conditions attached to it?

Mr. DEPUTY SPEAKER: Order. I must remind hon. members that the House is not in committee, and that therefore the minister should be allowed to place his remarks on Hansard in consecutive form without interruption.

Mr. BALLANTYNE: Mr. Speaker, I wish it very clearly understood that any reference I may make during the course of my remarks on naval affairs will not be partisan, but will, I trust, be made from the national viewpoint, and that alone. It has been a matter of great regret to me, and I think to Canadians generally, that such a vital question as our naval defence should have been cast into the political arena. I express my regret that that has happened, and it shall be my endeavour to refrain from saying anything that would cause hon. gentlemen to think that I entertain any partisan views on the question of our naval defence.

I think it well, Mr. Speaker, that the House and the country should be once more reminded that in the year 1910 the Government of the day under the right hon. the late Sir Wilfrid Laurier placed upon the statute books what is known as the Naval Service Act. By so doing Canada notified the Old Country that thenceforward she would undertake to the best of her ability the defence of her own shores, and would also bear whatever expense might be incurred year by year in maintaining a Naval Service for the Dominion. I might briefly cite a few of the salient points of that Act; they are:

(a) The establishment of the Department of the Naval Service, full control of naval affairs being vested in the minister of that department.

(b) The placing of the Naval Service of Canada under the Naval Discipline Act and the Kings Regulations and Admiralty Instructions, so far as applicable.

(c) The appointment of an officer to be called the Director of the Naval Service, who shall, subject to the regulations and under the instructions of the Minister of the Department, be charged with the directions of the Naval Service.

(d) The Act further provides that the Governor in Council may appoint a Naval Board to advise the minister in all matters relating to naval affairs, may organize and maintain a permanent naval force, and may authorize the engagement of officers and seamen in the Naval Service, and may, at any time, relieve from duty any such officers or seamen.

(e) The Act also provides for a Naval Reserve Force, to consist of such persons as join the said reserve after naval service, or after undergoing such training as may be necessary, all members of the said reserve being liable for active service in emergency.

(f) It provides also that the Governor in Council may organize and maintain a Naval Volunteer Force.

(g) It also provides that the Governor in Council may place the Naval Force, or any part thereof, on active service, at any time when it appears advisable so to do, by reason of an emergency.

(h) Also in case of emergency the Governor in Council may place at the disposal of His Majesty for general service in the Royal Navy, the Canadian Naval Service, or any part thereof.

(i) Whenever the Governor in Council places the Naval Service, or any part thereof, on active service, if Parliament is adjourned or prorogued, and will not meet again within ten days, a proclamation shall issue for a meeting of Parliament within fifteen days, and Parliament shall accordingly meet and sit, and shall continue to sit.

(j) The Minister of the Department has the powers when the Governor in Council declares that an emergency has arisen, to empower, in the name of His Majesty, some one person to take over the control of any facilities existing in Canada that may be deemed necessary, such as docks, shipyards, etc.

(k) The Command in Chief of the Naval Forces is declared by this Act to continue and be vested in the King, and shall be exercised and administered by His Majesty or by the Governor General as his representative.

I need not refer in detail to the other important clauses of the Naval Service Act, except to say that the Government of the day undertook to maintain and to keep in a proper state of efficiency the naval dockyards at Halifax and Esquimalt, also the Royal Naval Hospital, Commander-in-Chief's house, grounds, etc., at Halifax. The Government also, on behalf of Canada, obligated themselves to keep the dockyards at Esquimalt and Halifax in such condition that they could repair, coal or store any of His Majesty's ships that might have occasion to use them.

I shall not go into the question of what the late Liberal Government proposed to provide at one time in the way of naval defence for Canada; I do not want to take up the time of the House unnecessarily. I have their programme here in detail; it was quite an extensive one, and if carried to completion would have involved a very heavy annual expenditure,—with which I find no fault whatever—an expenditure which in these days would probably amount to $20,000,000 or $25,000,000 a year. I cite these facts merely to show that as Canada undertook in 1910 the defence of her coasts and harbours and the maintenance of these dockyards, the Government must recognize at all times Canada's solemn obligations and carry out the main policies of the legislation that was placed on the statute book in 1910, although perhaps on a much reduced scale.

I may also be allowed to mention that when the "Niobe" was purchased, she cost Canada $1,171,687.62. She carried a complement of 677 officers and men. She was built in 1899, and was armed with sixteen 6-inch guns; twelve 12-pounder guns, five 3-pounder guns and two submerged torpedo tubes. The "Rainbow" cost $280,097.80; she was built in 1891. The estimated cost of maintaining the "Niobe" in full commission at that time was $617,335 a year, and the "Rainbow", $277,884. The "Royal College" cost $91,629 a year; in 1910-11 the cost of maintaining these three establishments amounted to $986,848. If we were maintaining the same personnel to-day as was maintained in 1910-11, having regard to the increased rate that we have to pay the officers and men and the increased cost of coal and everything else, the annual expenditure involved would be $2,247,198. The expenditure for naval purposes for the fiscal year 1911-12 was $1,223,456.08. On the same basis of operation it is estimated that the Naval Service would cost to-day approximately $2,500,000.

When war broke out the "Niobe" and the "Rainbow" were put into commission. They remained in commission for from a year and a half to two years. The "Rainbow" per-

formed splendid service on the Pacific Coast. On instructions from the Admiralty she went to Mexico and brought safely to the port of Victoria the small British gunboats, the "Shearwater" and the "Algerine." While she did not meet any enemy ships, she was stripped for action and ready and anxious to meet them at any time, whatever the result might be. The "Niobe" was put in commission and steamed some 30,000 miles. On instructions from the Admiralty she and the "Rainbow" were finally taken out of active service. All their guns were removed in order that they might be placed on merchant vessels and both these ships were used from that time until the close of the war as depot ships. The Naval Service performed very excellent work also in providing patrols, especially on the Atlantic. In addition they maintained a regular mine-sweeping service on the trade routes and at entrances to harhours, and on more than one occasion succeeded in sweeping out enemy mines.

A very active recruiting policy was carried on to get the necessary officers and men, as a result, 6,452 of all ranks were enrolled for the Canadian Naval Service, while 1,700 were enrolled in the Royal Canadian Naval Volunteer Reserve (Overseas Division), and sent to England where they served in the Imperial Navy. This was done at the request of the Imperial Government. In addition, 82 were recruited for the Royal Canadian Naval Air Service; 376 for the Imperial Motor Boat Patrol Service; 382 for the Royal Naval Air Force, a total of 8,992. The recruits were trained and placed in service with the greatest despatch consistent with efficiency. As fast as vessels could be procured and got ready they were put into commission.

The casualties suffered during the war totalled 26 officers and 158 men, including the 5 college graduates previously mentioned. One officer and 39 men of the Overseas Division of the Royal Canadian Naval Volunteer Reserve lost their lives. The Naval Service of Canada had to provide all the supplies necessary not only for their own ships but also for the ships of Great Britain and her allies operating in the vicinity of the Canadian coasts. The purchases for stores alone amounted in 1917-18 to the large amount of $10,074,643. They also carried on at Halifax and Esquimalt what was known as an examination service. This service was established shortly after the outbreak of war, all shipping on the respective coasts being intercepted and examined before entering and leaving port.

I should like to say that the radiotelegraph service was found to be most efficient.

I should have failed in my duty if, before concluding my remarks regarding the Naval Service, I did not refer to the Naval Intelligence Department. While their work was secret, it was very necessary, and they performed their duties to the entire satisfaction, not only of the Naval Service of Canada, but of the Admiralty as well.

The total expenditure for naval purposes in the year 1918 amounted to the large sum of $33,367,433.09. The number of naval officers and ratings enrolled was 4,853, and the number of civilians employed was 1,375. The net cost, however, to the Canadian Government was only $11,527,727.48. The difference between the expenditures and the net cost represents the value of services rendered to the Imperial and Allied Governments, and illustrates forcibly the extent of that service.

As regards the Naval College, it might interest the House if I gave just briefly the number of our young Canadians who have joined this service since the college started in 1911. One hundred and thirty-five joined all told, 68 of whom served in the Imperial service and 23 withdrew altogether. The number of Canadians now in the college is 45, and the Canadian Government have agreed that each year we shall send at the expense of Canada, eight of those cadets to be trained in the Imperial Navy, so that from time to time as occasion arises, when we require officers on our own ships, we shall be able to recall from the Imperial service those young Canadian officers who will have received a thorough training in the large fleet of the Home Government.

I might be permitted to refer to two of our young Canadian officers who have distinguished themselves in a signal manner in the Imperial Navy. I refer to Lieut. Brodeur, son of a former Minister of the Naval Service, who has been selected to specialize in gunnery and who at the present time is studying at the Royal Naval College at Greenwich. Besides him we have Lieut. Gauvreau, son of the hon. member for Temiscouata (Mr. Gauvreau), who is presently serving in the Intelligence Branch at headquarters. Both of these very gallant and able young Canadian officers, as also the other young Canadian naval officers will be employed at headquarters or at Halifax or on board the cruiser or destroyers. All of our Canadians who have served in the Imperial Navy have, I have been informed by the Admiralty, most excellent re-

cords. Therefore, the Government thought it the part of wisdom to continue to send, each year at the expense of the country, eight of our bright young graduates from the Naval College to receive training in the great home fleet and to be on call whenever the Canadian Government requires their services.

I should like to refer to the re-organization of the service. I have given the maximum number of officers, all ratings, and civilians employed in the Naval Service when the war was at its height. So that I might have a free hand to re-organize the entire Naval Service of Canada, with the consent of the Government I issued general demobilization orders to all naval ratings and to all civilians at headquarters, Esquimalt and Halifax, that their services would not be required on and after the 15th May. I did that so that I, as responsible head of the Naval Service, and my technical officers associated with me, might re-engage only those naval officers, ratings and civilians who possessed the necessary efficiency. Furthermore, my instructions were that only those who were absolutely needed and who possessed the requisite efficiency would be taken on. At the date those orders were issued we had, of naval ratings, 484, and of civilians, 819. Naval officers serving in the Imperial navy and officers and men at the college were not affected by those orders. The naval ratings consisted of 47 officers and 233 men attached to the Niobe at Halifax; 14 officers and 2 men attached to headquarters, and 23 officers and 107 men attached to the Rainbow at Esquimalt. Of the civilian staff, 376 were employed at Halifax, 203 at headquarters and 240 at Esquimalt. This number has been reduced to 18 naval officers, 25 other ratings and 478 civilians. Therefore, the net reduction affected, both naval and civil, amounts to 782. In other words, I have reduced the personnel of naval officers and other ratings and civilians to the number of 521, as compared with the number of 1,303 naval officers and other ratings and civilians when demobilization orders were issued on March 25. The naval officers and civilians who are now in the employ of the Government are all men who possess the necessary knowledge and efficiency, and we certainly have not two men where only one is necessary.

I wish to refer to the generous gift of the Mother Country to Canada. I am sorry I cannot at the moment mention the name of the new cruiser that the British Government has been good enough to allocate to us. I expect in the course of a day or two to get the name of that cruiser, but I have been informed by the Admiralty that she will be a modern cruiser, and her armament and speed will be as follows:

Displacement, 4,800 tons.
Length, 453 feet.
Breadth, 47 feet.
Draught, 16 feet, 8 inches.
Speed 25½ knots.
Fuel capacity, 1,345 tons coal, 260 tons oil.
Armament, two 6-inch guns, ten 4-inch guns, four 3-pounder guns, four .303 Maxim, two .303 Maxim field guns, one 12-pounder field gun, two torpedo tubes

She will carry a full complement of approximately 20 officers and 384 men, or a total of 404.

The two modern destroyers that were built in 1916 are called the "Patriot" and "Patrician." They are vessels of 1,004 tons displacement:

Length, 271 feet.
Breadth, 27 feet, 6 inches.
Draught, 11 feet.
Speed, 35 knots.
Fuel capacity, 253 tons oil.
Armament, three 4-inch guns, one 2-inch pounder Pom Pom, four torpedo tubes.

They will carry full complements of 6 officers and 74 men, or a total of 80 each.

Some months ago the right hon. the Prime Minister accepted with thanks from the Admiralty the gift of two modern submarines known as H14 and H15. These vessels are of 364 and 434 tons displacement respectively. Their dimensions are as follows: Length, 150 ft. 3 in.; breadth, 15 ft. 9 in.; draught, 12 ft. 4 in; speed, 13 and 11 knots respectively; armanent, 4-18 in. bow tubes. They were built in 1918 and carry full complements of three officers and nineteen men, or a total of twenty-two. The total personnel of the two torpedo destroyers and the two submarines will amount to 608.

I think it might be in order for me to say here that although the Main Naval Estimates provide for an expenditure of only $300,000, the Supplementary Estimates will contain the further sum of $2,200,000, making a total expenditure for naval defence for the present fiscal year of $2,500,000. The reason that only $300,000 appears in the Main Estimates is that the Government were anxious to table the Estimates and our arrangements not being at that time completed with the Admiralty, we did not know just what we would be able to get from them in the way of ships. The House will bear in mind, then, when considering the Naval Estimates, that the total

expenditures for the present fiscal year is $2,500,000.

These vessels will be manned exclusively by Canadian officers, except the senior officers on the light cruiser. The crews will consist of men recruited in Great Britain from the Imperial Navy up to about two-thirds of the complement, the remainder being recruited in Canada. When hon. members are considering this very small expenditure for the naval defence of Canada, I hope they will bear in mind that in pre-war times we paid an able-bodied seaman only $1.10 per day, whereas now we have to pay him $1.65. In addition to that, coal and supplies of all kinds, I am safe in saying, are fully 50 per cent higher than in pre-war times.

The very small nucleus we have at the present time, consisting of one cruiser, two torpedo destroyers, and two submarines will be absolutely efficient. They will be kept part of the time on the Atlantic coast and part of the time on the Pacific coast. They will not be in harbour much of the time, except to take on supplies and stores. They will be kept at sea in order that the men may get the training they must necessarily have. Arrangements have also been made with the Admiralty for the interchange, as time goes on, of our ships, and of our officers if necessary. So that at all times small as is our Canadian Navy, it will be kept up to the standard of efficiency of the home fleet. Hon. members, I am sure, will agree with the view of the Government and of the Admiralty that overseas naval units would be of very little value in actual warfare if their training was to be confined all the time to their own waters. It would only be natural to suppose that under those circumstances they would retrograde instead of keeping up to date as they should. This interchange both of officers and of ships, which will include manoeuvring with the home fleet and following the same drill in every respect, will keep the efficiency of the Canadian fleet up to the standard of the home fleet. I recognize that this is not a time to discuss war, and it is not my intention to do so. I do not want to think of war any more than any other hon. member of this House, but if Canada is going to spend a certain number of millions each year on her Naval Service, it is her bounden duty to see that that Naval Service is efficient, and that it is kept up to the standard of the home fleet, and it is the policy of this Government and of the Naval Service Department to see that that is done.

[Mr. Ballantyne.]

Another distinct advantage which these modern vessels will have over the depot ships, the "Niobe" and the "Rainbow," is that they will be in active service and at sea, whereas the "Niobe" for instance was tied up at the docks at Halifax and was simply a depot ship, the annual cost to maintain her amounting from $425,000 to $450,000. The "Rainbow" also was not able to be put into commission, and cost from $225,000 to $250,000 to keep her as a depot ship alone. Instructions have been issued to offer for sale by public tender the "Niobe," the "Rainbow," and the "Canada" and the "Grilse." As these ships are obsolete and are of no further use for training purposes, tenders have already been called for, and the Government will dispose of the ships to the very best possible advantage.

There is another very important work that our small Canadian Navy can do, and that will be to look after fishery protection. I hope, if I have the honour of being minister a year hence, to show a reduction in the cost of the fishery protection of Canada, which will in part a least be looked after by these ships which we are accepting from the Mother Country.

I desire also to offer my sincere thanks and appreciation to the Navy Leagues throughout Canada which assisted the Naval Department so well during the war in getting the necessary officers and men. The Navy Leagues are also performing splendid work at present in training our young lads and inculcating in their minds a love for the navy and for the sea. To encourage the Navy Leagues, the Canadian Government Merchant Marine have arranged to take a certain number of these lads each year and to train them as deck officers on the large ships of the Canadian Government Merchant Marine. These boys are to serve an apprenticeship of four years aboard ship, and are to be paid on a sliding scale the sum of $1,100 for the full period, including rations. It is the intention to place two boys on each vessel of 8,100 tons or over, and as there are nine vessels of these dimensions in service 18 boys will be apprenticed at once. Ultimately there will be 22 of these vessels and 44 boys will be put in training. We hope by carrying out this policy, with the splendid assistance that is being rendered by the Navy Leagues throughout Canada, to have a Canadian personnel aboard all our Canadian Government Merchant Marine ships as well as to supply the necessary personnel for the Canadian Navy

We are also going to sell by public tender the two somewhat famous submarines known as the CC1 and CC2, which, when war broke out were bought by the British Columbia Government. They performed very good service at the time but as they are now out of date they will be sold along with the Niobe, Rainbow, Grilse and Canada. I wish to explain to the House that if we had continued the Naval Service of Canada along pre-war lines, if we had not reorganized or had not made the arrangement that we have made with the Admiralty for modern ships and had simply kept the depot ships Rainbow and Niobe and kept in commission the Hochelaga, Stadacona, Grilse, Sheerwater and the submarines, I would have had to come before the House and asked for a Naval Estimate to provide for an expenditure of $1,542,207 as against a Naval expenditure for our present small fleet of $1,720,000 not taking into account the expenditure on dockyards and the Naval College. Therefore the small Estimate I am placing before the House now of $2,500,000, I hope, will receive unanimous approval. The amount is an exceedingly small one when we consider the increased rates we have to pay and the cost of the things we have to buy.

It may interest the House to know something of what our sister overseas Dominions are doing in the matter of providing their own naval defence. Australia has what they call the Royal Australian Navy. It consists of one battle cruiser, three light cruisers, and one building, one flotilla leader, eleven destroyers, six submarines, one submarine depot ship in commission, one torpedo boat, two gun boats, three sloops and two light cruisers in reserve besides training and depot ships. The expenditure on the Australian Navy amounts to $15,000,000. This amount is exclusive of the expenditure for naval and harbour defence and fuel reserves. I understand that Australia is considering quite a considerable extension to her present fleet. The little overseas Dominion of New Zealand gave in 1913 a battleship to the Imperial Government at a cost of $10,000,000, the Malay States contributed to the Imperial Government a battleship costing $12,000,000 and the South African Government contributes annually $500,000 to the maintenance of the Imperial fleet. Therefore the very smallest Canada can do in these times of peace is to contribute the very small amount that the Government is now asking for—$2,500,000—for the important service that I have referred to.

Then again it would be interesting to the House to know what the Mother Country is spending in these days of peace on her naval policy. When submitting his Estimates to the House of Commons on the 17th March last, the First Lord of the Admiralty the Rt. Hon. Walter Long, abandoned the policy of secrecy which of necessity had obtained during the war, and for some years previous, and stated frankly, for the information of the whole world, what the governing principles of the Government were, believing them to be right. He pointed out the necessity for economy but emphasized the greater necessity for efficiency. Few I think will dispute with him in that regard. The soundness of the principles which he enunciated is beyond question.

The policy adopted is in keeping with that which has prevailed heretofore, namely, that the British Navy should not be inferior in strength to the navy of any other power in the world, and should be maintained at a strength and a standard of efficiency sufficient to enable it to do its duty by the Empire. Fortunately, as a result of the war, there exists no enemy navy; the only existing navy that even approaches the strength of the British Navy is that of the United States, and competition in this regard as between the two great English speaking nations of the world is unthinkable. Nevertheless, and in spite of these facts, the Estimates provide for an expenditure this year of £96,590,181, or $482,950,905 as against £53,573,261, or $267,866,305, provided for in 1914-15. The personnel provided for is 127,500, as against 151,000 in 1914-15. The cost per head of population is £2. 3s. or $10.75, as against £1. 3s. 9½d or $5.94 in 1914-15.

I am merely citing these expenditures to prove that the Old Land is carrying a heavy load and naturally looks to the overseas Dominions to relieve them in so far as they possibly can of this expenditure. To what extent the Dominions will participate in the naval defence of the Empire will, I hope—and in expressing that hope I feel that I am also expressing the hope of the Imperial Government—be determined at the Imperial Conference to be held in London in 1921.

It is to be sincerely hoped also that Canada, as a result of that conference, will adopt a permanent naval policy in keeping with her position as a self-governing nation within the Empire, and in many respects the most important. Aside from every consideration, either sentimental or other, she

ought to take measures to insure that her long coast lines and important seaports, as well as her Merchant marine should be amply protected at all times and against any eventuality.

With these few remarks I now ask that the House resolve itself into Committee of Supply to approve of the very modest expenditure of $2,500,000 for the Naval Expenditure for the year which we have entered upon.

Hon. MACKENZIE KING: Mr. Speaker, the statement made by the hon. the Minister of the Naval Service (Mr. Ballantyne) this afternoon is in such striking contrast to the statement made by him when he last addressed this House on the subject, that one finds it a little difficult to know just what the Government really has in mind in the announcement that has been made to-day. I am sure the people of this Dominion got the impression some months ago that the Government meant to do nothing by way of a naval policy until after the Imperial Conference which is to be held in London in 1921. Indeed, in his concluding remarks to-day the minister stated that it was the intention of the Government to do nothing in the way of adopting a permanent naval policy until after the Imperial Conference in 1921. But in the breath immediately preceding the minister told us that the Government had accepted from the British Government, one cruiser, two torpedo boat destroyers and two submarines, involving a personnel of 608 and requiring an outlay of $2,200,000 in addition to the amount which has been submitted in the Estimates for Naval Service. He speaks of this two millions as if it were of no significance whatever. I find it difficult indeed to regard the acceptance of these ships, involving the personnel mentioned, and their maintenance, as other than an expression of naval policy. If it is not to be regarded as such, then I feel the minister should not come before the House and ask us to vote any money for this purpose.

The acceptance of these ships from the British Government means the adoption at the moment of a policy which is to be maintained, or it is a mere make-believe, for the period of the next year or two. At this, of all times, Parliament has the right to know all details of policy, either temporary or permanent, which the Government may have respecting naval matters.

I shall not attempt at the moment any criticism with respect to the acceptance of this gift beyond mentioning that on these matters Parliament should in the first instance be consulted. The people of Canada have a right—through their representatives in this Parliament—to say whether or not at this time the country should be committed to an expenditure such as this afternoon the minister has announced we are to be asked to meet. We have this right as a Parliament, and the country should not have been committed to this course by secret negotiations made by the Prime Minister and his colleagues during the course of the last year, or the last few months. All that we have been told this afternoon is that negotiations have been carried on by the Prime Minister and his colleagues and some members of the British Admiralty. With this comes the announcement that certain commitments have been made by Order in Council in regard to none of which this Parliament has had the slightest intimation.

When the minister brought down his Estimates some little time ago they contained an item of $300,000, in connection with Naval Service, providing for the maintenance of the Royal Canadian Navy, and at that time he gave the country the impression that the intention of the Government was to reduce naval expenditures, and to reduce them to this very small amount. That impression has gone broadcast throughout the Dominion, and it has been accepted as the expressed view of the Government as to their policy for the present time. To-day that whole position is completely reversed, and the minister now announces that in the Supplementary Estimates which are yet to be brought down, an additional expenditure of over $2,000,000 will be asked for. At the very beginning of the present session we, on this side, asked the Government to inform us, at as early a date as possible, of any matters of public significance which were likely to require the deliberation of Parliament. Certainly there are few questions of greater importance than this one of the Naval Service of the Dominion; and if the Government had intended a programme of this kind, Parliament was entitled to have knowledge of it, not in the last fortnight of its siirigs but months ago so that there would have been opportunity to debate this question fully.

Hon. Mr. BALLANTYNE: The leader of the Opposition will surely recall the fact that on March 24th I officially announced, in the name of the Government, that we were going to carry on the Naval Service of Canada along pre-war lines, and that is exactly what we are doing. The hon. member surely knows that we could not do

that on the sum of $300,000, and I have already explained why that small sum is asked for.

Hon. MACKENZIE KING: Let me say to the minister, first, that I fail to understand why he presented to Parliament the item which he did in the Main Estimates if he had something else in his mind. The only explanation that can be given is the one that we on this side have been repeatedly urging as the reason for the long delay of the Government in bringing down its Estimates: namely, that matters of great public significance may come to the attention of parliament only in the last few weeks of the session when a large amount of business has to be gotten through with in a great hurry. I think, Mr. Speaker, that a wave of indignation will sweep over this Dominion when the statement goes forth that, now that the war is over, at a time when we are considering in what way we can retrench on naval and military expenditures, and after the professions they have made, the Government have announced a programme involving an expenditure such as that which has been mentioned to-day, and more especially when the country learns that this has been done without Parliament having had any voice in the matter one way or the other. That, Mr. Speaker, is the exception I wish to take at the moment to the programme of the minister and of the Government. I shall, at the moment, say nothing as to whether it is right that Canada should or should not do this or that. I believe that Canada should assist in naval matters—in coast defence and co-operation in other ways—but I say that the country has a right to have its policy determined on the floor of Parliament and not in secret councils of the Cabinet. Certainly in this matter, the Government have shown a complete indifference to the rights of the people, through their representatives in this House, in giving no opportunity whatever for the country to say whether or not these ships shall be accepted, whether or not the expenditures they will involve shall be incurred, whether or not we are to launch upon such a programme at the present time. All that the Government have said is that they have no policy, and will have no policy, until after the Imperial Conference in 1921.

I shall wait until we get into committee to speak further on this subject. At the moment I wish simply to voice what I believe to be the sentiment of public indignation which will be everywhere felt throughout the Dominion when it is learned that the Government have committed this country, in the matter of naval expenditures, to a programme which they have led the country to believe would not be undertaken at this time, and have placed Parliament in the position of being obliged either to refuse to accept ships which the Government have already accepted—and as the minister has said gratefully thanked the Imperial Government for—or else to undertake a commitment which is only the beginning of the spending of many millions on matters pertaining to naval defence.

Motion agreed to and the House went into Committee of Supply, Mr. Boivin in the Chair.

Naval Service—To provide for the maintenance of the Royal Canadian Navy, $300,000.

Mr. MACKENZIE KING: Let me ask the minister this question. He has figured that in the Supplementary Estimates, he would request from Parliament a vote of $2,200,000 in addition to the $300,000 to provide for the maintenance of the Royal Canadian Navy? The minister of course expects Parliament to vote all the additional amounts that are set forth in the Estimates on page 47 in regard to Naval Service, such as hydrographic survey, fisheries protection service, a radiotelegraph service, and the other branches that are mentioned as part of the Naval Service. That is correct, is it not?

Mr. BALLANTYNE: I may explain, Mr. Chairman, that this afternoon I was speaking of what should be termed strictly naval expenditures. In addition to the $300,000 mentioned here, there will be a sum of $2,200,000 in the Supplementary Estimates. The Fisheries Branch was, some years ago, under the regime of my predecessor, transferred from the Marine Department to the Naval Service. I am now transferring the Fisheries Branch from the Naval Service back to the Marine Department, and that will take effect on the 1st July next. I am also transferring back to the Marine Department the control of the life-saving stations. I think that when hon. members are considering the naval expenditure of Canada they ought to consider only this $300,000, and the $2,200,000 which will appear in the Supplementary Estimates, because these other items have really nothing to do with the question of our naval force. Even if Canada did not have a Naval Service, provision would still have to be made for hydrographic survey work, fisheries protection, etc.

Mr. MACKENZIE KING: These additional expenditures come to about $1,365,000. Adding the amount the minister has mentioned as being required for the Naval Service would bring the total expenditure under this division close to the $4,000,000 mark.

Mr. BALLANTYNE: I think it is hardly fair to allow the impression to go abroad that the naval expenditure is as large as the hon. leader of the Opposition has just mentioned, including as it does items for hydrographic survey, fisheries' protection and other service. The actual naval expenditure is $2,500,000, and that is the amount that the committee must consider. When we get into the Fisheries Estimates I shall be glad to give all the information required in regard to the wireless service, the hydrographic survey, and other items. At the present time we are considering item 198 only, and I am quite willing that in conjunction with this item we should consider the supplementary amount of $1,900,000, making a total naval expenditure of $2,500,000.

Mr. MACKENZIE KING: What is the reason for all these items being put in under the head of Naval Service? Have members of the Naval Service nothing whatever to do with these other branches?

Mr. BALLANTYNE: As I explained a moment ago, my predecessor, Sir Douglas Hazen, transferred the fisheries' protection service and these other items to the Naval Service. It was felt at the time there was not sufficient work to keep busy those engaged in the Naval Service Department, hence the transfer. I intend now to transfer those branches back to where they more properly belong,—the Marine Department, as the hon. member for Lunenburg (Mr. Duff) suggested some time ago. But the actual naval expenditure, I repeat once more, is only $2,500,000.

Mr. BELAND: So the country is now asked to entirely ignore the announcement which the minister made in the month of March that our naval expenditure would be considerably reduced during the coming year. This announcement, as he himself knows, was received with gratification from one end of the country to the other. During the previous year about $600,000 was expended on the Naval Service proper, and we were told that only $300,000 was to be expended for the current year; and in order to make his announcement still more emphatic the minister declared that he had ordered the demobilization of the officers and men engaged in our Naval Service. Now we find that not only is there no reduction in the naval expenditure, but, on the contrary, it is to be increased to $2,250,000. And yet no naval policy has so far been announced! Last March in the statement he very carefully made to the House the hon. minister declared that no naval expenditure would be entered upon until after the Imperial Conference. He did not at that time expect that the Conference would take place before 1921. But now we are confronted with an entirely different official declaration. It is not $300,000 that we are asked to spend on the Naval Service this year, but $2,500,000. And, remember, Mr. Chairman, this is not for any new naval policy at all, it is only an avant-gout of what is going to happen. If $2,500,000 is going to be spent when no naval policy has been adopted, and when no Imperial Conference has been held, what amount will the minister ask for when the great official Imperial Naval Policy is launched? Then we may have a yearly expenditure of $15,000,000 or $20,000,000.

I said a minute ago that the statement of the minister regarding a reduction in our naval expenditure was received throughout the length and breadth of the country with gratification. Why? Because we are facing the most serious financial exigency in the history of this country. Our national debt is tremendous, and its liquidation is calling upon the people for greater and greater efforts. We are overwhelmed with new taxation of all kinds. Yet at the very time when this burdensome taxation is imposed upon our shoulders, suddenly, in flat contradiction of what was proclaimed in this House in March, we are asked to spend $2,250,000 on the Naval Service. I wish to record my protest against this expenditure. I say that the Government should at least have waited until it had a definite naval policy to place before the country. We remember what happened in 1911. The new government of that day, presided over by the same right hon. gentleman who is the head of this Government, said: "We will not develop the naval policy of our predecessors in office." The country was with him at that time, everything was stopped. Since 1911 events of tremendous world importance have taken place and the countries of Europe are to-day overburdened with war debts. In these circumstances we were under the impression that we had ample time to develop a naval policy, and we did not expect to embark upon any new naval expenditure. I cannot agree

with the minister in his present action. Let him wait until the Conference has been held, let us see what policy will be proposed, let us get rid of some of this heavy debt that is bearing down upon us, and then we will decide what should be done in regard to naval defence in the interests of Canada and of the Empire.

Mr. BALLANTYNE: My good friend from Beauce (Mr. Béland) is as a rule very lucid in his argument, but to-day I do not find him so. On March 25 I made it as clear as I possibly could that the Government had decided not to adopt any permanent naval policy, but to wait the outcome of the Imperial Conference and a declaration by Great Britain on Imperial Naval Policy, and our heavy financial commitments also exerted a strong influence on our decision. I also made it clear that the Government was going to continue the Naval Service along pre-war lines. Listening to my hon. friend, one would think that Canada had never spent more than $600,000 on the Naval Service, but even in 1911-12 I find that the expenditure was $1,790,017.16. If this Government had not done anything whatever but simply allow the obsolete service to continue, I would now be before the House asking for an expenditure of $2,322,207. Now, for a much improved and much more efficient service we are asking for $2,500,000. From the remarks he has made I take it that my hon. friend (Mr. Béland) is in favour of abolishing the Naval Service; of providing no expenditure whatever for it. We are merely carrying along the service on pre-war lines; we are really not increasing the naval expenditure by one dollar. The Estimate now before us is for an amount less than the cost of maintaining the Canadian Naval Service of pre-war times, having due regard to the differences in wages, the increased cost of provisions, coal, and everything else. Moreover, we are providing for modern ships, efficient in every way. I do not wish to enter into any political controversy with regard to naval matters, but we cannot shut our eyes to the fact that in pre-war times we were spending over $1,000,000 a year on the Naval Service, and if we were doing nothing more to-day than what we did then we would be spending $2,322,207 on a service that would be almost entirely useless. What good was the Niobe? What good was the Rainbow? We were spending $450,000 a year in keeping the Niobe tied up at the dock at Halifax—

Mr. DUFF: Whose fault was that?

Mr. BALLANTYNE: Will the hon. gentleman allow me? We were spending $250,000 a year to keep the Rainbow tied up.

Mr. DUFF: The Rainbow is a good boat.

Mr. BALLANTYNE: My hon. friend will have ample opportunity later to explain his technical knowledge of naval affairs.

Mr. BELAND: I do not want to be disagreeable to the minister, but he himself made it plain to the House a moment ago that both the Niobe and the Rainbow rendered splendid service during the war.

Mr. BALLANTYNE: I will not withdraw anything I said about the good service rendered by the Niobe and the Rainbow during the war. But I repeat that they are both obsolete vessels. I find no fault with any Government in that regard, but hon. members will agree that ships built in 1891 are not modern ships. Both these ships are now in such condition that we could not possibly put them into commission. My hon. friend (Mr. Duff) shakes his head, but I am stating the facts. In view of the fact that the Government are providing for a more efficient service at not a dollar of increased expenditure over that of pre-war times, I am satisfied that hon. members and the people generally will approve of the Government's policy. But I do not want a wrong impression to prevail. The Auditor General's report may show that $600,000 was spent on the navy for one year, but it must be remembered that the balance of the heavy expenditure that was entailed was charged to demobilization. In 1911, 1912 and 1913 we spent on the Naval Service of Canada more than $1,000,000 a year, and I repeat that having regard to the increased cost of everything we are really make a less expenditure when we ask for $2,500,000 this year.

Mr. BELAND: How many officers and men will be in the Naval Service of Canada when the light cruiser, two destroyers and two submarines come into the hands of the Canadian Government? Will more men be employed in the Naval Service than were employed before? I ask the question because I fear that quite involuntarily the minister is leading the country into error when he claims that he will carry the service now outlined for $2,500,000 a year. My impression is that when the year is over and we meet in the next session—if there is no election before that—

Mr. BALLANTYNE: There won't be.

Mr. LAPOINTE: Don't be cocksure.

Mr. BELAND: —the minister will have a large amount of Supplementary Estimates to place before the House. I understand that only the senior officer on the light cruiser is to be obtained from the Old Country; that all the other officers and men will be Canadians and in the pay of the Canadian Government.

Mr. BALLANTYNE: I stated that the personnel—I was referring to naval officers and ratings only—on the cruiser, destroyers and submarines would amount to 608. I also stated the number of civilians and naval officers whose services we found it necessary to dispense with.

Mr. BELAND: Is that a larger number than the number who previously served in our naval forces?

Mr. MOWAT: I do not agree that the announcement made in March with regard to proposed changes effecting a reduction of our naval services was received with satisfaction by the country. It may have been received with satisfaction by those surrounding the hon. member (Mr. Béland), or in his portion of the Dominion, but my impression is that throughout the length and breadth of the Dominion the feeling was distinctly the opposite. The statement that we were not to take our part as a nation; that we were not to support other nations of like mind to ourselves, was received not only with concern but with feelings akin to shame by the people. The country has been educated to the idea that Canada should support her own navy. It is not many years since the hon. gentleman's leader, and at that time my leader, submitted an eloquent argument, backed by many figures and estimates, that we should have a navy of our own. In fact, he actually let contracts for the construction of fast cruisers of the Bristol type, which would have cost much more than the proposals now put forward. The country experienced a feeling of pride that at last Canada was to do her part instead of depending upon another part of the Empire to defend her coasts. But the expenditure now proposed is not to be compared with that recommended by Sir Wilfrid Laurier. Well, the people got into that frame of mind, and that frame of mind is not to be easily changed simply because of the political exigency of a party being in opposition rather than in office. The majority of the people insist upon our adopting a self-respecting naval policy. Here we have a proposal to accept from the British Government a cruiser, two destroyers and two submarines, thus keeping alive, until a permanent naval policy for the Dominion can be decided upon, that Naval Service which we should maintain as one of the nations of the British Empire. This will keep in the service those men who are now in the service and who are in those vessels which did excellent service during the war, but which are now undoubtedly obsolete and should be scrapped; whereas if this estimate were to be defeated and the money were not appropriated, those men would all have to be demobilized; they would go into other occupations; they would be lost to the service, and Canada would lose a very great asset. This is merely continuing the policy that we have always had; but instead of having obsolete ships of which we are not at all proud, no matter what good work they did during the war, we shall, with this new service, have modern, up-to-date, efficient ships, on which our men may get training and become better sailors and gunners than any we have had before.

I rise not for the purpose of discussing the matter in detail, but of protesting against the proposition to whittle away Estimates for a Canadian Navy. Canada is as a whole prepared, not to agree to a proposition of this kind, but to go on and do her part in keeping up the proper defence work of Canada on the high seas, thus preserving her self-respect.

Mr. MACKENZIE KING: The hon. member for Parkdale (Mr. Mowat) referred to what he terms a feeling of shame that swept over the country after the announcement made by the Minister of the Naval Service (Mr. Ballantyne) in March last. If there was a feeling of shame, it was that the Government announced at that time that it had no naval policy whatever, and the country was ashamed of having in power a Government that had no policy on such an important branch of the public administration. When the hon. member contrasted the situation as it was in 1911 with the situation as it is to-day, he left out of account altogether the one material factor. In 1911 a grave menace through the existence of the German navy faced the world. Lord Jellicoe, who was retained by the Government to report on the naval situation, presented a report, and on page 6 of that report, which I hold in my hand and which has been presented to Parliament, he says: "The German menace has now disappeared." The condition as regards naval defence is therefore to-day entirely different from what it was in 1911. The whole situation, from the point

of view both of danger to countries from attack at sea, and the ability of countries to cope with the vast military and naval expenditures, is entirely the opposite of what it was at the time the naval policy was launched. If there be one thing above another that is apparent from what the minister said this afternoon, it is that the Government was very much to blame after assuming office in 1911 in failing to carry on and carry out the policy inaugugated by the Laurier Administration. When war broke out, if instead of the Niobe and the Rainbow, we had had a fleet on the Atlantic and on the Pacific as was planned under that policy, and as would have been in existence had that policy been carried out, it is difficult to say what splendid part Canada might not have played on the sea as well as on land in the great war. The minister has given us to-day sufficient evidence to prove that even with the two vessels which were established under the Laurier naval policy, and which would not have been in existence but for that policy, Canada was able to render at sea very material service at a critical time.

The point we are taking exception to this afternoon is not that Canada should do something by way of naval defence. Our criticism is directed against the change of attitude on the part of the Ministry in regard to what Canada should do, and when she should do it. In March last, the minister announced clearly that, owing to the fact that there was to be an Imperial Conference in 1921, it was not desirable to incur large expenditures for naval defence at this time, and concurrently with that announcement by the minister came the Estimates to Parliament indicating a reduction in expenditure from $600,000 to $300,000. The Opposition did not make those reductions. If the amounts do not represent all that the Government expended or intended to expend in the past on naval matters, that is the fault of the minister or his department in drawing up those Estimates. But the inference the country got at that time was that the Government intended to retrench in naval as well as in other matters. Let me read the statement made by the minister on the 25th March, which constitutes the only announcement given out by him. At page 737 of Hansard, the minister is reported as saying:

> Before the Orders of the Day are called I desire to make a statement on the Government's policy in regard to naval affairs:
>
> The Government has had under consideration for some time the question of the naval defence of Canada and the suggestion of Admiral Viscount Jellicoe in reference thereto.
>
> In view of Canada's heavy financial commitments and of the fact that great Britain has not as yet decided on her permanent naval policy and of the approaching Imperial Conference at which the question of naval defence of the Empire will come up for discussion between the Home Government and the Overseas Dominions, it has been decided to defer in the meantime action in regard to the adoption of a permanent naval policy for Canada.

If that paragraph carries any impression with it—

Mr. BALLANTYNE: Read on.

Mr. MACKENZIE KING: I will do so in a moment. If that paragraph carries any impression with it—and it is the outstanding paragraph in the minister's announcement—it is that Canada has heavy financial commitments at the present time; that Great Britain has no permanent naval policy; that next year there is to be a conference at which a policy will be decided upon, and that in the meantime the Government will defer adoption of any permanent policy in Canada. I contend that the acceptance of a cruiser, two torpedo boat destroyers and two submarines is evidence of a policy. The minister cannot say that no policy is involved in the acceptance of those ships, which will mean the support of a complement of 600 or 700 men, in addition to all that is required in equipment and administration. If the Ministry have a policy for a Canadian Naval Service, let them state it to Parliament and let us act accordingly; but the minister says: "We have no policy at the present time; we are going to have a policy in 1921." What we say is: "The situation financially being what it is in the world to-day and the danger as regards attacks at sea being what it is, we can well afford during the period of one year to keep the figures of naval expenditure at the estimate at which the minister has indicated they would be kept.

The minister asked me to read the balance of his statement. It is as follows:

> The Government has decided to carry on the Canadian Naval Service along pre-war lines and has accepted the offer of Great Britain of one light cruiser and two torpedo boat destroyers to take the place of the present obsolete and useless training ships, the Niobe and Rainbow.

The disposition there is on pre-war lines. In other words, the Rainbow and Niobe were used simply as training ships to train a few men without involving very great expenditure or a very large personnel. Can the minister tell me what the personnel on those two ships was before the war?

Mr. BALLANTYNE: We had 784 naval ranks and ratings and 321 civilians, or 1,105

all told. I should like to draw the hon. gentleman's atention to the fact that with this improved service we purpose having only 608 naval ratings and 478 civilians.

Mr. BELAND: About the same number.

Mr. MACKENZIE KING: May I ask whether in addition to the personnel of these ships, the staffs that will be required for the Naval colleges and the like will add considerably in numbers to the appointments to the Naval Servcie?

Mr. BALLANTYNE: We have in the Naval College 12 officers and 46 men, a total of 58.

Mr. MACKENZIE KING: Had the minister in mind, at the time he made this statement, the addition of this cruiser, the two torpedo boat destroyers, and the two submarines, and their maintenance with this personnel?

Mr. BALLANTYNE: I certainly had in mind and the Government certainly had in mind a complete reorganization of the Naval Service, but we had not at that time completed our arrangements as we have announced them to-day. I had informed the Government that it was absolutely necessary to reorganize our Naval Service which was in a most inefficient state.

Mr. MACKENZIE KING: What I wanted to know was whether the minister and the Government had in mind, as an outcome of that reorganization, that during the present year this cruiser and the two torpedo boat destroyers and the two submarines would become a part of the Canadian Naval Service and would have to be maintained as such?

Mr. BALLANTYNE: If the hon. member will refer to Admiral Jellicoe's report he will see that the minimum scheme placed before the Government involved an expenditure of $10,000,000 extending over a number of years up, I think, to 1925 or 1927. Admiral Jellicoe states in that report that the ships will be a gift to the Canadian Government. Inasmuch as the Government could not see its way clear to incur such heavy expenditure, we had to re-open negotiations with the Admiralty to see if we could get the one cruiser and the two destroyers, and when I made my announcement on March 25 those negotiations had not been completed.

Mr. MACKENZIE KING: That must be incorrect because in his announcement the minister says that the cruiser and the torpedo boat destroyers have been accepted. Here are his words:

> The Government has accepted the offer of Great Britain of one light cruiser and two torpedo boat destroyers.

Mr. BALLANTYNE: We had at that moment actually accepted the offer but we had not received word from the Admiralty that we were going to get the ships.

Mr. BELAND: Surely they would keep their word.

Mr. MACKENZIE KING: The minister could hardly accept a gift that had not been made. The Government must have had the gift made to it before it could accept it. The point I am somewhat concerned about at the moment is that if the ministry had in contemplation this naval unit or whatever one may choose to call it, why was it that in the Estimates subsequently submitted, an appropriation was not presented to Parliament for this larger expenditure? Can the minister answer that question?

Mr. BALLANTYNE: I cannot add anything to what I have stated in my remarks this afternoon. On March 25 we did not know what the actual expenditure was going to be. It is true that the Government had accepted the ships, but we had not heard from the Admiralty. The Admiralty, through Admiral Jellicoe, offered us certain ships providing we adopted a programme that would cost this country annually not less than $10,000,000. We did not see our way to embarking on such an expenditure, and we said that we were prepared to take one cruiser and two destroyers but at that date we did not know that that would be agreeable to the Admiralty.

Mr. MACKENZIE KING: The minister announced this afternoon that the Prime Minister himself had accepted the two submarines previously. Why was no mention made of that?

Mr. BALLANTYNE: That is easily explained. The two submarines had been accepted quite a number of months previously. When the Prime Minister was in England these two submarines were lying at Bermuda, and they were offered to Canada, the offer being made personally to the Prime Minister when he was in London, and they were accepted by him. I will find out the exact date, but I should imagine it was six or eight months before we accepted the cruisers and the destroyers.

Mr. MACKENZIE KING: If they had already been accepted by the Prime Minister, why did not the minister mention them in making his statement to the House. To-day is the first time the country has been informed that these two submarines had been accepted, in addition to these two torpedo boat destroyers.

Mr. BALLANTYNE: I think it must be clear to every one and to the leader of the Opposition that when I made the statement that the Government were going to carry on on pre-war lines, it meant that we were going to ask for the same expenditure that had been asked for in pre-war years. Nothing could be clearer than that. I certainly did not mislead the House in any way. If I had not stated that the Government were going to carry on along pre-war lines, my hon. friend might have been justified in coming to the conclusion he apparenly has come to, but when I stated that we would carry along on pre-war lines, it meant that the expenditure would be the same as in pre-war years.

Mr. MACKENZIE KING: We had no cruiser in pre-war times, and we had no submarines or torpedo boat destroyers. We had a couple of training ships. The minister completely evades my question as to why he did not announce to the House on March 25 that the Prime Minister had accepted these two ships. It seems to me an extraordinary thing that the Prime Minister, notwithstanding the great powers that he has as Prime Minister, should feel free to accept a couple of submarines on behalf of this country without conferring with his colleagues in the Ministry in regard to such an acceptance. I think that is an exercise of power that is scarcely warranted. In the same way I think the acceptance of a cruiser and a couple of torpedo boat destroyers, in addition to these two submarines, without ever asking Parliament whether such a gift should be accepted, is going very far beyond what the Governor in Council or the Prime Minister and his colleagues should have gone in a matter which commits the country to such vast expenditures.

To conclude the minister's statement on the Naval policy, he went on:

> The Minister of Naval Service, in order to be free to thoroughly reorganize and place the present service on an economical and efficient basis, has issued orders for the demobilization of all officers and naval ratings and for the discontinuance of civilian help at headquarters and at the Naval Dockyards in Esquimalt and Halifax. The Canadian officers who are in the Imperial fleet and who are now being paid by the Canadian Government will be recalled and placed on duty with the Canadian Naval Service. The Naval College will also be continued. After reorganization has been completed, only those officers and other ratings and civilians will be taken on who are absolutely necessary and possess the qualifications desired.

I submit that any person reading that statement and without having any knowledge of what had been secretly arranged by the minister in advance would get the impression that the Government intended beween that time and the time the permanent policy was decided upon to get along on as small an expenditure as possible, reducing the personnel to as small a margin as possible, and that before anything in the nature of a permanent policy was adopted Parliament would be informed of what the Government's intentions were. That, I submit, is the least that was owing to Parliament and to the people of Canada. I do not think we should be asked at this time—in view of the attitude which the country has been led to believe would govern the situation,—I do not think we should be asked on a few minutes' notice to vote $2,000,000 over and above anything that is already in the main Estimates, and for something that is over and above anything so far suggested in regard to the Naval Service.

Mr. LEMIEUX: I stand by the Laurier naval policy and I congratulate my hon. friend the Minister of Marine for having in spite of the bad company surrounding him remained faithful to that policy. I have noticed that his policy, which was Sir Wilfrid Lauriers was supported this afternoon only by one Liberal Unionist, and he the gentleman representing the seamen of Parkdale (Mr. Mowat). I did not notice that there was any particular enthusiasm display by the old crew—the old Tory party which in 1911 and since combatted so vehemently the "Laurier disloyal policy," as they called it, and which is now presented to the country by the Minister of the Naval Affairs in the Unionist Government, as the salvation of Canada and of the British Empire.

I stand by the Laurier naval policy in normal times. In 1911 I defended it, I risked my political life in its support, but the Liberal party was defeated on that policy through the alliance of a jingo party with the Nationalist party. I abide by the verdict of the Canadian people. We were informed by the old Government, that a new policy would be launched and that it would be submitted to the people. Mr. Chairman, we know what happened. In 1913 the Premier came before Parliament with a new

naval programme consisting of a proposed gift to the Admiralty of three dreadnaughts. By the way, dreadnaughts are quite discarded to-day. Sir Wilfrid Laurier was right in 1913 when he told the Government that the best naval experts of Great Britain were opposed to the construction of these dreadnaughts. But, let that pass and let us come to the point.

I said a moment ago that I stood by the Naval Act of 1910, which was defeated at the polls in 1911, that in 1913 a new policy was propounded but nothing came of it because the Senate of Canada, led at the time by the ex-Prime Minister of Ontario, Sir George Ross, brought the Government to its senses, reminding them that there was on the statute book a Naval Act which had not yet been repealed. The war came along, and now that it is over, when Canada is facing financial liabilities to the amount of nearly three billion dollars, the conditions are not normal and whilst I was in favour of the Laurier policy which was defeated at the polls in 1911, I am perfectly logical in stating that I cannot stand for it to-day, in view of the heavy financial commitments of the country. The amount is not very large—$2,700,000—and even if it were larger, I have enough confidence in the business sense, and honesty of purpose of the minister to say that under ordinary circumstances I would leave to him the free expenditure of that money. But $2,700,000 for naval expenditures is not needed to-day after the victory which was achieved by the Allies on the sea as well as on the land in 1918. That $2,700,000 with $5,000,000, which we voted the other evening for the Royal Mounted Police, which is not needed in central Canada, and for militia, makes nearly $8,000,000. $8,000,000 might go far towards paying the widows and orphans of our gallant soldiers who died at the front, and towards defraying the Pension Bill. I call the attention of my fellow members who know what the hardships of the people are, to the fact that the only policy with the people of Canada to-day is one of retrenchment. Where can that retrenchment be made if not in the Militia and Naval Service Departments?

We have no fear to-day. If there was one fact which was pre-eminent in the war it was the superiority of the British Navy. And if ever there was a black Friday for our enemy, Germany, it was when she surrendered her navy to the British Fleet in the midst of the ocean. The German navy was ignominiously wiped out. Therefore, where is the enemy on the seas to be faced by the British Navy? A moment ago my hon. friend, quoting the words of the Rt. Hon. Walter Long, said that the only country in the world which could pretend to be a rival of Great Britain in so far as a navy is concerned was the American Republic. Does any one in this House seriously believe that we shall have in the future to fear the enmity of the United States? Sir, every statesman of Great Britain has declared over and over again in the last thirty years, to my certain knowledge, that in their computations of expenditure of the British Navy they have always put aside the contingency of war with the United States of America. There is to-day, in spite of the usual election lion tail-twisting, a real, a true, a sincere friendship, between the Anglo-Saxon peoples both of the United States and of the Mother Country. There is no peril, there is no danger, there is no necessity to-day for even the expenditure mentioned by my hon. friend. On the contrary there is an urgent necessity to cut down expenditure in order to put Canada on her feet again because she is burdened with such financial commitments that it would take her many long years before she can compete successfully with the other nations of the world. Besides Mr. Chairman, we have manfully done our share for the Mother Country, and we should not come with this picayune tribute of $2,200,000 a year to the British Exchequer. My hon. friend a moment ago spoke of a patrol on the Pacific Ocean.

Mr. BALLANTYNE: The Atlantic ocean.

Mr. LEMIEUX: Yes, and my hon. friend mentioned the Pacific ocean, too. He knows that on the Atlantic ocean we have nothing to fear. With respect to the Pacific ocean the treaty with Japan is about to be renewed; and I understand that to Australia has been assigned by the Mother Country the duty of patrolling a certain zone in that ocean. At all events, Mr. Chairman, the treaty with Japan is to be renewed very shortly, and we have no reason to entertain fear on that score. The minister said that he meant to administer this Naval Act according to the principles of local autonomy which are embodied in it. I am afraid, from a certain remark which he let slip, during his speech this afternoon, that the true Canadian spirit has not yet penetrated his mind completely. If he means to administer this Act according to Canadian views, and Canadian ideals—not rejecting at all the idea of co-operation with the Mother Country in case of emergency, because the Naval Act of 1910 speci-

fies that—my hon. friend has paid his respects to the Navy League of Canada. Well, I know the gentlemen who are the sponsors of the various branches of the Navy League in Canada. They are respectable and well meaning gentlemen but they are not the friends of Canadian autonomy—they are not Canadians, first, last and always. From the circular letter which I received the other day, from Mr. Aemilius Jarvis, President of the Navy League in Toronto, that gentleman does not dream of a Canadian Navy. He dreams of a tribute for the Imperial Navy paid for by Canada. That is what he dreams of; and when my hon. friend pays such compliments to the Navy League, I am afraid that the Laurier navy may be used by him as a weapon which might serve the Imperialist cause.

Mr. Chairman, has my hon. friend thought very seriously of what he is doing this afternoon? He has laid down a policy which was denounced by one whom he should respect—whom all of us in this House should respect—as being "absurd, unworkable, dangerous and revolutionary."

Mr. LAPOINTE: Who said that?

Mr. LEMIEUX: My hon. friend is propounding a naval policy which is "absurd, unworkable, dangerous and revolutionary." Now, whoever uttered those words? My hon. friend may say. "I belong to a different Government. This is a Unionist Government, and I am not responsible for the old Tory Government. I am a Unionist minister, and therefore I represent only Unionist principles." But my hon. friend cannot disassociate himself from the right hon. gentleman to whom I refer, whether the latter is Prime Minister in a Unionist Cabinet or was Prime Minister in a Tory Cabinet. It is the same Sir Robert Laird Borden to whom I have reference—it is the same individual, and the same personality, and we cannot allow him to change his mind as it pleases him to change it on such a vital issue. Now, in 1911 when this policy —which is adopted by my hon. friend as the policy of the Unionist Government—was presented to the country by the late lamented Sir Wilfrid Laurier, it was denounced by the present Prime Minister—then the leader of the Opposition—as being "absurd, unworkable, dangerous and revolutionary." Well, Sir, I am surprised to see such a peaceful, law-abiding citizen—

Mr. LAPOINTE: Such a Christian.

Mr. LEMIEUX: —as my hon. friend the Minister of Marine—who did his share in the great war for the Empire and the Mother Country—I am surprised that he should come before the House and forward a policy which was denounced by his present leader as being, "absurd, unworkable, dangerous and revolutionary." Surely he will have to explain the process by which he has been able to alter the views of the right hon. gentleman. And besides, I might recall to my hon. friend the fact that his leader of to-day solemnly stated in years gone by that no naval policy of any kind—least of all the Laurier naval policy which my hon. friend accepts to-day—should go into force without first being submitted to the people of Canada. Now, Sir, on February 3, 1910, on the motion for the third reading of the Bill which is now the Naval Act, Sir Robert Borden, then Mr. R. L. Borden, said:

> I am as strong as any man in this country in the belief that it is the duty of Canada to participate upon a permanent basis in the defence of this Empire and to do our reasonable share in that regard, but I say that to attempt to force a policy of this kind upon the people of this country without giving them an opportunity to say yea or nay with regard to it would be one of the worst mistakes that could be made by any man really favoured that policy.

Mr. Chairman, as I stated a moment ago, that very policy was defeated at the polls in 1911. Our Canadian Navy was frowned down by the all-powerful Tories of 1911, 1912, 1913 and 1914. Then it was suddenly taken up as, after all, the best means of protection for our sea-coast during the war, and it accomplished something. As evidence of that we have had the very words of my hon. friend this afternoon. Now, it has been found so adaptable to Canada that my hon. friend presents it as being the policy of the Government.

But what regard has the Government for the sacred rights of the people? What does my hon. friend from Perth whom I see before me just now, think of his Tory Government accepting the policy which he denounced with such vehemence during the campaign of 1911? Then the Simon-pure Tory candidates promised that no such policy would ever be adopted by Parliament unless the people of Canada were consulted. Well, the people have never been consulted, and we have this show—because it is nothing else but a show—where can be seen the various ministers of 1911, 1912 and 1913, making the somersaults I have been describing.

I expect to hear from my stern unbending Tory friends on this question. Were they sincere in 1911 when they denounced the

Laurier naval policy as being un-British and disloyal, and as being the first step towards separation from the Mother Country? Were the leaders of the Tory party sincere? They have since joined hands with the Liberal-Unionists, and it seems to me that the latter are "putting one over" their Tory friends to-day. Listen to the hon. Minister of Naval Service, who is so proud to carry out the policy of Sir Wilfrid Laurier. Listen to the echo from Parkdale (Mr. Mowat) saying, "Amen; that is my policy, that is the policy I defended in 1911." But what are the real Tories thinking, what are they saying? I want to hear from them to know if they were in earnest in 1911?

Mr. BURNHAM: I do not think I ever heard a speaker who so thoroughly answered and confuted himself as the hon. member who has just sat down (Mr. Lemieux) He has completely boxed the compass and taken up every phase of the question, always returning to the fact that this is a continuance of the Laurier policy, which he now condemns. This policy, which he insists is a continuation of the Laurier policy, he objects to being continued on the ground of retrenchment. He therefore disowns his own child and ignores his own relatives—and I do not blame him. In the past we said: "That is exactly what the Laurier policy will lead to"; we said it would lead to a continuance and an expansion of expense and pretention, which was absurd and would be ineffective. And we are now "up against it." I do not think that any one will deny that, if it were not for the exigencies of the situation, there would be the least excuse for going on with such an Estimate as this—not the slightest. During that long-distance naval debate we insisted that the Empire was an empire, our object being to show that we should not have a series of fleets, but one great Empire fleet, and that we would assume whatever our portion of the cost of that fleet was adjudged to be and build and develop it accordingly. The Laurier policy, founded upon the Naval Service Act, pre-supposed that we were not in the Empire at all, that when we said we were in the Empire we would be in it, but in the meantime we were out of it, and that it would be better for us to go on and build our own fleet with complete equipment from beginning to end. Then—as we predicted—when a heavy burden like the present would come upon us we would have this absurd display to keep up, or else we would fall into disgrace and contempt. It is possible at the present time to annihilate this Estimate. How? By annihilating the idea of the Laurier fleet. That is what you are pleading for, and yet you call us inconsistent. We are simply saying that we are marking time, waiting for the development of a naval policy which will be declared next year. And if I thought the Government at the present time were asking for this expenditure with any other idea than marking time, I would vote against it. But I know they are only marking time in order that later we may develop a proper Imperial naval policy.

The Laurier naval policy, if it had been carried out, and if we were in power now—as we are—would demand not $2,700,000, but more likely $20,700,000. The people of this country are grateful to the old Tory party, notwithstanding what the hon. gentleman from Parkdale (Mr. Mowat) has said, for preserving them from an absurdity that can only be likened to the well-known fable of the frog which, being determined to blow itself to the size of the bull, blew itself up altogether.

Mr. DUFF: The Minister of Naval Affairs this afternoon made a very important statement on naval matters. Like myself, he does not know anything about the technical side of naval affairs, and I would not have referred to his ignorance except for the fact that he taunted me a few minutes ago with my absolute lack of knowledge of naval technique. But I think, Sir, that I can perhaps deal with the situation in Canada in respect to naval matters as well as the Minister of Naval Affairs, and if I may be permitted I would like for a few minutes to discuss this very important question.

I want to say, first, that I think it is due to this House that after the minister made this very important statement on naval affairs he should have moved that the committee report progress on this item of the Estimates so as to give hon. members a chance to study his statement. I am waiting to see if the minister will do so now. As he has not seen fit to accept my suggestion, I presume I will have to go on.

There is bound to be a difference of opinion in this country as to whether or not a naval policy should be adopted by Canada. We heard the hon. member for Beauce (Mr. Béland) say that when Parliament and the people were told in March that the Government did not propose to go on with a naval policy there was a feeling of relief all over the country; and we also heard the hon. member for Parkdale (Mr. Mowat) dispute

that statement and say that the people wanted a naval policy. While perhaps in that part of the country from which the hon. member for Parkdale comes that sentiment may prevail, yet I assert—and I say it with all modesty—that perhaps there is no hon. gentleman who in the past 18 months has received so much correspondence in regard to naval matters as I have; and there is perhaps very good reason for that being the case. From every part of this country,—from Toronto and other cities; from most of the important towns of Canada; from the Pacific coast; from the Atlantic coast; from clergymen, lawyers, doctors and every other class of citizens, I have received letters with regard to the Canadian Navy, expressing the view that it would not be good business, that it would not be in the interests of the country, to spend one dollar on Naval Services at the present time. I do not wish to occupy unduly the time of the committee in this connection, but perhaps my hon. friend (Mr. Mowat) will listen to something which comes from his own city—Toronto. Here is what the Toronto Saturday Night says:

> Sir Robert Borden has started on what may be termed a world tour with Admiral Viscount Jellicoe, which has been subjected to interruption, but no doubt it was intended to enter into discussions from which some plan would be forthcoming with suggestions that Australia, South Africa and Canada participate. What plans the Admiral has in mind is, of course, yet unknown, but it all brings up the question as to whether or not any satisfactory plans as regards a definite naval programme could be devised at this time.
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> First of all, if this League of Nations is worth a whoop, which a good many of us are now inclined to doubt, navies of any size will be unnecessary. But more important is the fact that authorities cannot agree among themselves as to what should constitute a naval force under changed conditions. Five years ago there would have been arguments between these gentlemen as to the proper number of battleships as compared with cruisers, cruisers vs. small craft, and so on down the line. Now, however, the argument has got out of the sea and into the air. Sir Percy Scott, for one, declares the battleship is dead and gone, gone indeed previous to the opening of the late war. Why build battleships, says the Admiral, at a cost of say forty million dollars each, when for the same sum many aeroplane-carrying ships, equipped with aeroplanes, each ship carrying explosives in amount equal to that contained on a battleship, could be had. In the opinion of Sir Percy Scott this class of craft would be far the most effective with the added recommendation that plane-carrying ships could be well utilized in peace times as every day, traders, conveying passengers in place of bombs.
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> Admiral Fisher for his part favours the development of the submarine, which, with the further development of the flying boat will unquestionably be a great factor in future naval engagements if we are unfortunate enough to have any.
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> All this brings up the point as to what Admiral Jellicoe is likely to recommend for us, though it goes without saying that we do not necessarily have to follow the Admiral's recommendations, no matter what they may happen to be. And if these recommendations follow old traditional lines we may pass them all up. There is no need for Canada to hurry along in such a matter; indeed, there are many questions which are better suited for discussion at the next session of Parliament than a definite naval policy for Canada. The best thing Union Government can do is to leave it alone.

Now, let us see what the Prime Minister says in regard to a naval policy at this time. In the month of December last a deputation composed of representatives of the Navy League of Canada came to Ottawa to interview the Government. I will not read the whole of the report which I have before me, but here are some of the things that the Prime Minister said:

> In reply Sir Robert Borden acknowledged the public spirit and loftiness and purpose that animated the members of the Navy League of Canada, and complimented them on the patriotic work they are accomplishing.

I may say here that the Navy League asked the Prime Minister what he thought we should do in Canada with regard to naval matters. This report continues:

> He called the delegates' attention to the fact that his stand on the naval question had been made public some years ago, and that interim developments had not caused him to revise the opinions he had expressed at the time.

Now, Sir, we all know what the Prime Minister's stand on the naval question was. He thought that the people of Canada should contribute $35,000,000 towards a centralized British navy; he did not want a navy for this country. In December last the Prime Minister reiterated that statement. He practically said that we did not want a Canadian navy; that he stood by his old policy, which was to give money to the British Government in connection with their navy. Referring further to the Prime Minister's remarks on this occasion the report says:

> The question to solve is one of finance. Sir Robert spoke of Canada's tremendous commitments, the heavy drafts on the country's revenue to meet the interests of war costs, the payment of pensions and other obligations arising out of the war.

Evidently the Government then had no intention to make any expenditures on account of naval services this year.

Let us go a little further. As the Minister of Naval Affairs has pointed out, we had the pleasure and the honour of a visit from Admiral Viscount Jellicoe of Scapa. With

others I had the pleasure of listening to a speech delivered by him at Halifax at a dinner which was tendered him there. I was more than pleased when during the course of his speech he practically said, though he did not specifically mention the Laurier navy policy, that the only navy which would suit Canada was a navy along the line of that proposed by Sir Wilfrid Laurier in 1910.

Lord Jellicoe, after investigating conditions in this country, made a report. It was current talk that the Minister of Naval Affairs intended to accept the report of Lord Jellicoe and to introduce into the House new legislation or sufficient Estimates to provide a navy along the lines suggested in that report. The moment this announcement went out in the press protests came in from all parts of Canada, to Conservative and to Liberal members alike, denouncing the policy laid down by Lord Jellicoe. It is well known what happened when we came here in March. Of course, what goes on in caucus is secret, and as I was not at the Conservative caucus to which I am about to refer I cannot speak with authority as to what happened, though in a moment I will read what a certain gentleman said who was at the caucus. But it was common talk around the corridors, about the city and in the newspaper press that the Minister of Naval Affairs wanted the Conservative caucus to accept the report of Lord Jellicoe and to provide for a navy along the lines suggested, but that the minister was turned down good and hard. Now, let us see what the Halifax Herald says about that, a paper published by a member of the other House, Senator Dennis.

Mr. McKENZIE: What are his politics?

Mr. DUFF: Oh, he is a good Tory. Here is what he says:

> The demobilization of the Canadian Naval Service follows a decision of the Unionists caucus held recently, at which, it is stated, the plans of Admiral Jellicoe looking to the establishment of a Canadian Navy were turned down in a decisive manner by those present.
>
> The attitude of the caucus and the decision of the Government to demobilize the Naval Service means that Canada will lose a fleet of ships valued at pre-war figures at $16,500,000.

I assume that he refers here to the ships which the British Government offered to this country. He says also—because there is no doubt that the despatch from Ottawa which follows, published in the Halifax Herald, was written by the Senator from Halifax to whom I have referred:

> Ottawa, March 23.—House proceedings are completely dwarfed by interest in the Government's decision to scrap the Canadian navy.
>
> While no official explanation of the action taken has been offered, it is known that the order does not represent merely a departmental decision, but is the considered policy of the entire Cabinet.
>
> In the absence of an official announcement the view in Parliamentary and near-Cabinet circles is that the order is based on three considerations:
>
> 1. That the existing naval organization is useless for purposes of defence, and that consequently all money for its upkeep, (the amount is about $600,000 annually) is absolute waste;
>
> 2. That all the time when the country is facing a financial stringency challenging the most rigid economy, expenditure of money for all futile purposes is indefensible; and
>
> 3. That the action taken, merely ridding the country of a lot of junk, does not prejudice, hinder or delay any further naval policy that may be decided upon in the light of subsequent events.
>
> These considerations, beyond question, weigh very heavily with the overwhelming majority in Parliament. The Maritime members (including British Columbia as well as New Brunswick and Nova Scotia), of course, are not inclined to be jubilant over any proposal with slightest suspicion of being "anti-navy", as they are confirmed believers in strong Canadian naval defence, but they realize that it is useless to breast the strong tide for economy and retrenchment which is sweeping through Parliament at the present time.
>
> Also, there is this consideration, that rightly or wrongly, the suspicion prevails that the personnel of the existing naval organization, with some few notable exceptions, did not represent the high level of capacity and that any policy that will rid the country of such service is not to be lightly condemned.

That is what the Halifax Herald says as regards what the Government purpose doing..

In order to show the hon. member for Parkdale (Mr. Mowat) that the hon. member for Beauce (Mr. Béland) is not alone in his attitude on this matter, I will read from another newspaper known as the Halifax Chronicle. In April last the Halifax Chronicle in a leading editorial, discussed an editorial which appeared in the Manchester Guardian, of Manchester, England. I will not read the whole of the article, which says in part:

> However desirable the possession of a considerable naval organization may be for the Dominion ready to co-operate in case of need with the British navy, it must be faced with the urgent question—"Can we afford it?" Everybody admits that these are times for shortening, not spreading, national as well as individual sail. "Industry and Thrift" are the watchwords of the hour. Canada has incurred an enormous, not to say crushing, public debt through the war. It promises to be a continuing problem of the utmost difficulty, as far ahead as can now be seen, to secure sufficient revenue to pay interest on our indebtedness and pay for the bare necessities of Government. Could we, with

any justice to ourselves or those who are to come after us, consent to the assumption of large additional burdens which are not absolutely urgently imperative?

I think I have said enough to prove to the hon. member for Parkdale and other hon. members, that the hon. member for Beauce is not alone in his attitude and that throughout the length and breadth of Canada the same sentiment prevails. Even the hon. member for Peterborough West (Mr. Burnham) is not in favour of naval expenditure. All he seems to be afraid of is that we have to vote this $2,500,000 because we have this, what he calls the Laurier navy on our hands. My hon. friend evidently was not in the House about an hour ago when the Minister of Naval Affairs (Mr. Ballantyne) distinctly told us that he had scrapped the Laurier navy; that he was putting it up for sale by tender and contract, and that he intended to sell it. Therefore, there is absolutely no reason why my hon. friend, if he is opposed to naval expenditures, cannot vote against the expenditure of every dollar of this $2,500,000. There is no question that the country cannot afford to expend this amount, and it is not necessary to expend it. What do we find? I am sorry I can not read the minister's exact words, and the reason I wanted the committee to rise and report progress was in order that I might not misquote the minister in any particular. I have to go on from memory. What did the minister say about the ships which he is going to accept from the British Government? What part will they play in the defence of this country in case of war with the United States or any other country? In his statement made some two months ago, the minister said:

> The Government has decided to carry on the Canadian Naval Service along pre-war lines and has accepted the offer of Great Britain of one light cruiser and two torpedo boat destroyers to take the place of the present obsolete and useless training ships, the Niobe and Rainbow.

This afternoon he went further; he told us that this gift which he was going to accept from the British Government consisted of one cruiser, if I remember rightly, of 4,600 tons. The Minister of Naval Affairs might consider a cruiser of 4,600 tons an up-to-date cruiser, but I do not think any one who has a knowledge of naval affairs will consider a cruiser of 4,600 tons is much of a gift after all. In our country we would call her only a boat, but I suppose the minister knows so much about naval matters that he would call her an up-to-date cruiser. He also told us that the British Government had been pleased to give them two torpedo boat destroyers. if I remember rightly, of about 1,000 tons, and in addition to these two little cruisers we were to get two submarines from the British Government. How thankful we should be that the British Government is to give us these vessels! Before I forget, I might state that the minister said that he intends to use these destroyers and submarines in fishery protection work. The minister is surely mistaken in making such a statement, and I am surprised that he should have made it. How is he going to use submarines or destroyers in fishery protection work?

Mr. BALLANTYNE: Will the hon. member explain how we cannot use them?

Mr. DUFF: I might state that I have quite as many rights in this House as the Minister of Naval Affairs has. I understood that we were not to interrupt him when he was making his speech this afternoon, and I would ask him to be good enough not to interrupt me. I will tell the minister how he cannot use submarines in fishery protection work. Perhaps he does not know that submarines are undersea boats; they are supposed to go under water. If the minister intends the submarines to locate schools of mackerel or codfish, they cannot do it unless glass frames are placed in front of the submarines instead of the usual plates, so that the sailors can see the fish as they pass along under the water.

What advantage are these little boats going to be to the people of Canada for naval defence? The minister told us that the Niobe was about 8,000 tons and that would be about twice the size of this little cruiser which he is going to accept from the British Government. As the minister was very positive in stating that the Niobe is obsolete, I want to make a comparison between the Niobe, the Rainbow and other ships, such as the Hochelaga, Canada and others, which the Government has at present, and, if you like, Sir Richard McBride's submarines on the Pacific coast, with the boats the Government is going to get from the British Government. I believe the submarines Sir Richard McBride bought are just as good as the ones we are getting now. The Niobe and the Rainbow are just as good boats for training purposes as the cruisers and the two destroyers of which the British Government is going to make us a present. If I remember correctly, at the time the Niobe was purchased, it was understood that she was to be used as a nucleus for a Canadian navy and for training purposes, and when the Liberal Government went out of power in 1911, the

Niobe was being used for that purpose. She was well looked after, well equipped as regards both men and machinery, and she was ready at any time to proceed to sea. Shortly after the Conservative Government came into power, the then Minister of Marine and Fisheries adopted the deliberate policy of allowing the Niobe to go into disuse and disrepair, with the result that when war broke out only a few caretakers were on board the Niobe; her engines and boilers had rusted, and it was six weeks after war was declared before she could go to sea. I say it is a disgrace to the Government and to the Minister of the Naval Service of that day that such a condition of affairs should have existed. If the Niobe had been ready to proceed to sea the day war was declared she would have captured sufficient prizes to pay the cost of war to Canada for the first year. The same thing was true of the Rainbow on the Pacific coast. Instead of being ready to proceed to sea as soon as war was declared, she took weeks to get ready. In spite of the fact that the Conservative Government and the previous Minister of the Naval Service allowed the Niobe's and Rainbow's engines and boilers to rust, there is no doubt that the Niobe did good work during the war, as long as they kept her boilers in condition, patrolling the New York and the Newfoundland coasts. At the time she was put out of commission there was nothing wrong with her. All she needed was to have her boilers re-tubed and a few slight repairs. As far as her hull and machinery are concerned, she would do just as good service as a training ship as the boats the minister purposes to take from the Old Country What service can these new boats we are acquiring give us? The minister told us he intended to use them both on the Atlantic and the Pacific coasts. While, of course, it is quite true that now-a-days in view of the construction of the Panama canal it will not take so long for a cruiser to get from Halifax to Vancouver as it did in the old days when she would have had to go around the Horn, it seems to me a rather strange thing for the minister to say that he is going to protect our 7,000 miles of coast line by taking this cruiser and these two torpedo boat destroyers from one coast to the other as the occasion requires. There is no doubt at all that these boats are absolutely useless for defence. No man thinks they can be used for protection so far as war is concerned. If war were to break out any time within the next ten years they would be absolutely useless. There is another point. If the Niobe is obsolete, as the minister says, how many years will it be before this cruiser and these torpedo boat destroyers are obsolete? Everybody knows that in the Navy a new cruiser is considered obsolete within five years and the boats the minister is accepting from the British Government if they are not obsolete to-day—I think he said they were built in 1916—will be obsolete any time from 1921 on.

Mr. MACKENZIE KING: Before we take recess may I suggest to the minister that as the main naval item is the Supplementary Estimate of $2,200,000, and this item is only $300,000, he allow this item to stand until the Supplementary Estimate is before us. That will give us an opportunity to discuss this whole question. There is very little sense in passing now an item of $300,000, if later on we shall be asked to consider an item of $2,200,000. I think the minister should let this item stand in the meantime.

The CHAIRMAN: I understand the hon. member for Lunenburg has not yet completed his remarks.

Mr. BALLANTYNE: There are also a few other speakers on this side of the House.

Mr. DUFF: I am quite ready to defer the debate until the Supplementary Estimate is before us. I think the members should also have the opportunity of reading the minister's statement before they can be expected to discuss this matter intelligently. I think the proper thing would be for the committee to rise and report progress.

At Six o'clock the committee took recess.

## After Recess.

The committee resumed at Eight o'clock, Mr. Boivin in the Chair.

Mr. BALLANTYNE: In view of the request of the leader of the Opposition and the hon. member for Lunenburg that we allow this item to stand until hon. members have had an opportunity to read what I said this afternoon, I am quite agreeable to do that and to take up the Fisheries Estimates.

Mr. DUFF: If the minister has been good enough to agree to my suggestion I am quite satisfied that the debate should be deferred for the present although I am ready to go on.

Item stands.

Fisheries—salaries and disbursements of fishery officers and guardians, fisheries patrol service, and oyster culture, $710,000.

Mr. CAHILL: What is the increase for?

Mr. BALLANTYNE: The increase of $110,000 is made up as follows: Extension of the service, $9,120 and steam patrol boats that we have to purchase $70,000, making $79,120. For reclassification we have put in $25,860; reorganization, $2,120; and unforeseen expenses, $2,900; making $110,000.

Mr. DUFF: What is the necessity for more boats if the minister is going to use the new navy for fisheries patrol service?

Mr. BALLANTYNE: I do not wish to return to naval affairs but I was talking about fisheries protection this afternoon. The policy of the department is for the present that in British Columbia, cannery, purse seine, gill net and fishing licenses of all kinds are to be thrown open. That being so, it is necessary for the Government to adopt more rigid regulations and to have closer supervision by the inspectors out there. Therefore, it is necessary to ask for $70,000 to provide extra boats to enable our officials to go over that vast territory and see that overfishing does not occur.

Mr. DUFF: How many patrol boats have you on the Pacific coast?

Mr. BALLANTYNE: On the Pacific, 20; on the Atlantic, 16; and on lake Winnipeg, 1.

Mr. CAHILL: How many new boats are being bought?

Mr. BALLANTYNE: Three new boats that are for use in connection with the British Columbia fisheries.

Mr. DUFF: I cannot understand why you should be building or purchasing several new boats for this particular purpose when you have twenty patrol boats on the Pacific. Twenty boats would cover a great amount of territory, and I do not see why you should require any more.

Mr. MARTIN: If the hon. member for Lunenburg (Mr. Duff) is only speaking to the minister across the House we might as well go out because we cannot hear a word.

Mr. DUFF: I was not the architect of this Chamber. If I had been I would have arranged for a shorter Chamber so that the hon. member for Halifax (Mr. Martin) could hear my voice as well as I can hear his.

Mr. MARTIN: You have lots of lung power; speak up.

Mr. DUFF: I was saying to the minister, and I think the hon. member for Halifax will agree with me, that we should not spend one dollar more than is necessary in order to patrol the waters of the Pacific or Atlantic. The minister tells us that he has already twenty patrol boats on the Pacific coast.

Mr. MARTIN: They served you splendidly during the war.

Mr. DUFF: I am sorry I cannot agree with the hon. member for Halifax. They were of no service at all. They were a lot of bumboats; they did no good. But we are not talking about naval affairs; we are talking about patrol boats for fishery purposes. I think we should try and spend as little money as possible and not spend more on patrol boats when there are twenty already on the Pacific coast. There are not as many as that on the Atlantic coast.

Mr. STEVENS: There is a very extended coast line on the Pacific because of the large islands. We have the Queen Charlotte group of islands and the large Vancouver island. That necessitates a great deal more patrolling of the coast line than the straight line mileage of the coast would indicate. It may be 1,500 miles in a straight line, but as a matter of fact we have 25,000 miles of coast line including the islands and long inlets, some of which extend 50 or 100 miles into the land. There is a great necessity for increased fishery patrol service on the Pacific. I heartily commend the minister for providing for this additional protection or patrol. The increase of license fees during the past two years on the Pacific coast covers any additional expense involved in the change. We have a situation there which requires very close watching. The American fishing boats come up from Seattle and fish on the banks off and outside of territorial waters. According to law they are not allowed to use our harbours except for the purpose of shelter in storm and certain other restricted uses. It is necessary that this large area shall be carefully watched so as not to discriminate against us or to endanger our native industry. There is no wastage in connection with the patrol on the Pacific coast at the present time, and I am sure this is a very wise measure on the part of the minister.

Mr. CAHILL: What are the receipts from the fishery licenses on the Pacific coast?

Mr. STEVENS: Estimated?

Mr. CAHILL: No, what are they now?

Mr. STEVENS: They were increased this year.

Mr. SINCLAIR (Guysborough): As far as the Atlantic coast is concerned, there is less necessity for using the patrol than there was formerly. We have no trouble from the American fishermen now. The reason for the patrol on the Atlantic coast was largely on account of the American fishermen, and these are now almost on equal terms with our own because they are freely licensed by the Government, and there is very little need of increasing the expenditure on the Atlantic coast. There is always need of a patrol for enforcing the law against men who break it in connection with the fishing industry. I see that there is an increase of $110,000. I would like to know how that increase has arisen. In regard to the overseers and guardians who are covered by this item, changes have been made in Nova Scotia about which I would like to ask some information from the minister. In my own constituency there were two fishery overseers prior to the change, and I do not think their combined salaries would amount to more than about five or six hundred dollars. I am told that they were dismissed, although they were good officers, and new and inexperienced men were put in their places. The new men may be all right—both of them are returned soldiers and very deserving—but the men that were formerly doing the work, and doing it very well, at small salaries were summarily dismissed and inexperienced men put in their places at, I believe, more than double the salary that was being earned before. I have seen in newspapers the statement that the staff had been reduced in Nova Scotia, and that there are fewer fishery officers than before. That is not the case in my county. There were only two prior to the change, and there are still two; the only difference is that the expenditure has more than doubled, without, I think, increasing the efficiency of the service at all. Now that is not very satisfactory. I do not know whether that condition is widespread or not, but I would like to know from the minister why he dismissed the men that were doing their work well in the constituency that I have the honour to represent. In fact he dismissed three, one on the coast of Antigonish and two on the coast of Guysborough county, and replaced them by other men who had no experience in the protection of the fisheries and who, as far as I can learn, are not any more efficient than the men he dismissed; in fact they are not even as good officers, but the expenditure has been very largely increased. Now this is not the time to increase the expenditure, and I would like to hear from the minister why he took that step in my constituency.



Mr. BALLANTYNE: First, I will answer the hon. member for Pontiac (Mr. Cahill), who inquired what was the revenue from fishery licenses in British Columbia. In 1918-19 the revenue was $59,349.94, but in 1919-20 the fees for canneries and fishery licenses had been increased and the revenue amounted to $270,698.41.

In reply to my hon. friend from Guysborough (Mr. Sinclair), I think he is aware that when I became Minister of Fisheries the country was overburdened with fishery guardians, who numbered 843 for the whole of Canada The remuneration these men received was anywhere from $28 up to $100 per annum. They did very little guarding of fish, as far as I can understand, and the appointment of these men was considered a political appointment. I let those 843 guardians go on the 1st of April, 1918, and announced that the policy of the Fisheries Department from that date forward would be to only engage such guardians and overseers as the service actually demanded; we would give them larger remuneration than they had been receiving in the past, but we would only employ them during the season of the year when their services would be actually required. As regards the guardians, we pay them whatever the ruling rate of wages is, but only keep them for the number of days they are actually needed. In Nova Scotia, I find, in the year 1917-18, there were 453 guardians. In 1918-19 the number was reduced to 138, and in 1919-20 there were 165; and we estimate that we shall need 100 for the coming year. I do not know whether in my memoranda I have the number of guardians in the hon. member's constituency or not.

Mr. SINCLAIR (Guysborough): I would like to get an estimate of the cost as well as the number of men employed. I might say to the minister that I do not think there is anything new in only paying these guardians for the time they work. That has been the policy ever since I can remember —guardians were paid for the actual number of hours they worked during the season. So the minister has not developed anything new in that regard. However, the question I would like to get answered is whether there is an increase or decrease in the expenditure.

Mr. BALLANTYNE: That was not the system that I found in operation when I

became minister. I think a guardian got $25 a year and did nothing. Sometimes he received $50 and sometimes $100; and as a general rule these men rendered absolutely no service to the country. I therefore deemed it wise to change that policy, and instead of these being political appointments—that is as regards guardians and overseers—to have them appointed on a business basis. The guardians and overseers now employed are required to give their whole time to their duties, and are paid a great deal more than they formerly were, according to the number of days upon which they render service.

Mr. CAHILL: How much are they paid?

Mr. SINCLAIR (Guysborough): I hope the minister will be able to give more definite information on this question. I understand that he has reduced the number of overseers to 100, but he has so enormously increased the salaries paid to them that he will spend a great deal more money than was expended before. I would like to know if this is true.

Mr. BALLANTYNE: We have a much smaller number of guardians and overseers than we formerly had. The amount paid for their salaries is not only less than it formerly was but there is a greater degree of efficiency.

Mr. CAHILL: What is the salary paid, surely the minister can tell us that?

Mr. BALLANTYNE: The guardians and overseers are paid according to whatever the current wages are—either $2.50 or $3 a day—and depending upon whether they reside in any part of Nova Scotia, New Brunswick or British Columbia.

Mr. SINCLAIR: I hope the minister will be able to give me a little more definite information, because I would like to get the salaries that the former overseers in my constituency received, and the salaries he is paying to the new overseers.

Mr. BALLANTYNE: Under the old rate the overseer in Nova Scotia received $250 plus ten cents a mile. They now receive $1,020 a year. The overseers are permanently engaged, and guardians are not.

Mr. SINCLAIR (Guysborough): It would appear that the present overseers are paid about five times as much as the former overseers. If this is true my hon. friend is not going to save money even by reducing the number from 150 to 100.

Mr. BALLANTYNE: With the remuneration the overseers get, plus the ten cents a mile, their salaries run about $800 a year. I admit that we are now paying more than we did in former times, but the present overseers are very much more efficient than the former overseers were.

Mr. SINCLAIR (Guysborough): Does the department pay the travelling expenses of those overseers in addition to their salaries?

Mr. BALLANTYNE: No. They are allowed only $200 a year for the keep of their horses.

Mr. SINCLAIR (Guysborough): In addition?

Mr. BALLANTYNE: Yes.

Mr. CHISHOLM: Is any allowance made for gasolene for their motor boats?

Mr. BALLANTYNE: We allow them an additional $75 a year.

Mr. DUFF: There is no question that the minister is correct in stating that when he took charge his department was overmanned in the Outside Service. But that was due to the fact that after the Conservative Government came into power in 1911 they fell over themselves in their eagerness to appoint all kinds of officials, whether those officials were required or not, and some 25,000 were appointed between 1911 and 1917. I presume that when the minister took over the Department of Marine and Fisheries in 1917 he found a certain proportion of those 25,000 officials in that department, and I think he was quite justified in removing a great many of those superfluous officials, some of whom were being paid, as he said a moment ago, $25 just to keep them "good fellows" between elections. But I do not think the expenditure of his department is very much less now than it was when he took charge.

However, I would like to get back to the patrol boats. I agree with the hon. member for Centre Vancouver (Mr. Stevens), that it is necessary to have certain patrol boats on both the Atlantic coast and the Pacific coast, but I am not sure whether it is necessary to have more than twenty boats on the Pacific coast. If forty or a hundred are necessary, I am quite satisfied that they should be supplied, but from information I have received it would appear that twenty boats are ample to look after fishery protection in those waters. There is not a great deal of work for the patrol boats to look after. They have a certain territory allotted to them, and it

is no trouble for a boat to cover from 100 to 150 miles per day, and—

An hon. MEMBER: Carried.

Mr. DUFF: It is no use to shout "carried," because gentlemen on this side of the House are prepared to sit here all night if they have any interruptions from members on the other side. In fact, I came back with my friends determined that the vote for the Naval Service should not go through if it took us all night. And we feel the same in regard to the vote for the Fisheries Service. Therefore I would advise hon. gentlemen who have no interest in these Estimates to keep quiet and let us proceed with the business of the House.

Now, Mr. Chairman, I would be quite satisfied to vote an increase for the Fisheries Patrol Service if I thought it was necessary. I cannot see that it is. If there is necessity for more boats on the Pacific coast, why sell the Canada and the Grilse? Why not put them on the Pacific coast? The minister laughs, but let me tell him that I know the Canada from keel to truck, and she is the best boat in his department. She did excellent service, as the hon. member from Halifax can tell us, before the war as a fisheries protection boat, and she is still able to continue that service. She can be overhauled for a few thousand dollars, as against an expenditure of $50,000 or $100,000 for a new boat. If members from the Pacific coast think they should have one or two more patrol boats to protect their fisheries, let us use those we have rather than spend money for new boats. As I say, the Canada is an excellent boat, and the Grilse, although perhaps a little extravagant in regard to fuel, is also a good boat, and they might well be transferred to the Pacific coast. As the hon. member for Guysborough (Mr. Sinclair) has said, we do not want sixteen boats on the Atlantic coast at the present time to protect our fisheries. A few years ago, when the Americans were restricted in their use of our harbours and did not enjoy the privileges which have since been granted to them, it was necessary to maintain a strong fleet of fishery protection boats on the Atlantic coast. I strongly urge the minister before he agrees to the expenditure for new patrol boats for the Pacific coast to get advice from other people who know the local conditions there, and I think he will find that if further boats are required his best course will be to transfer some of our Atlantic boats and thereby save the country several thousand dollars.

[Mr. Duff.]

Mr. BALLANTYNE: I am afraid the hon. member for Lunenburg (Mr. Duff) is confusing the fisheries protection service with the patrol service. The fisheries protection service, as the hon. member is aware, is to protect our fisheries outside the three-mile limit. This vote has nothing to do with the service in that regard. I am asking for this amount for small patrol boats for use on the numerous streams to be found in the province of British Columbia with its long coast line of 7,000 miles. In addition to the twenty small boats that we have now, this vote is to enable me to hire about forty more, and also to build two small boats for use out there. With our license system—and I think it is a correct one, open to all British subjects of the white race—for the preservation of the rich fisheries of British Columbia, it is absolutely necessary that the patrol system be very much more rigidly carried out in the future than it has been in the past. The Canada or the Grilse would be absolutely useless for service on these small streams. For service outside the three mile limit I agree with my hon. friend that those two boats would be quite suitable, but these are small patrol boats that we need to enforce our fisheries regulations.

Mr. DUFF: I quite appreciate what the minister says, but boats like the Canada and the Grilse can go up any ordinary stream—they do so on the Atlantic coast to-day—and in addition to protecting our fisheries beyond the three-mile limit they look after our inshore fisheries. It is quite true that 100 miles up-river it might be necessary to have other means of protecting the fisheries, but in such cases it seems to me that boats would not be required. We have certain rivers in Nova Scotia where the fishery guardians do not use boats; they patrol the banks of the rivers. It seems to me that unless this is absolutely necessary, and unless the minister has been well advised, money should not be expended in the purchase of new boats. As I said a moment ago, I do not want to say that this money should not be voted if it is absolutely necessary, but my information is that at the present time there are sufficient boats on the Pacific coast. If a few more are needed, let us take them from the Atlantic coast. I have mentioned only the Canada and the Grilse, but the minister knows we have a number of motor boats on the Atlantic coast, and they could be used out on the Pacific coast instead of

spending a large amount of money for new boats.

Mr. PECK: I rise at this time to take advantage of our system of debate to say a few things about the salmon fisheries of British Columbia. I regret that I had not an opportunity of being present when my hon. friend from Lunenburg (Mr. Duff) was speaking, because I always listen to him with the keenest interest. He knows a great deal about fisheries, and he speaks always with the utmost authority. I am told that my hon. friend is qualifying, or attempting to qualify for that most unlikely event, the attainment to office of the present Opposition and his own holding of the portfolio of Marine and Fisheries.

Mr. DUFF: Thank you.

Mr. PECK: Things often happen that nobody expects to happen, and if my hon. friend should attain to that position every hon. member will have the greatest satisfaction in knowing that at the head of that department is a man who knows what he is talking about, however great mistakes he may make in criticising the policy of this Government.

Now, Sir, I wish to say a few words upon a matter which interests very much the part of the country that I come from, and a matter which has been the subject of acute controversy. I refer to the salmon fisheries of British Columbia. I know that some of my colleagues from that province do not concur in the view that I take, but I mean to state my case and to set forth what I think to be the right policy in regard to this important matter. Those who do not know the salmon fisheries of British Columbia, those who do not know anything about the habits of salmon, may be interested to know that salmon are a peculiar fish. They spawn in the fresh water, and after hatching they go out to sea. Every four years the sockeye salmon, the greatest family of salmon that keeps up our salmon industry, return and sport around in the outside waters of the great rivers of British Columbia and then commence to make their way back to the spawning grounds. They struggle from boulder to boulder and from crag to crag until they reach the very stream in which they were born, when they finally sink back in the last hours of propagation. The salmon fisheries of British Columbia were once of very great importance. They are still so, indeed, but the Fraser river fisheries have been seriously depleted. The great run of fish that annually kept up the Fraser river fisheries came down from the northwestern Pacific until they struck the western coast of Vancouver Island. They followed to the inlet along that coast, some of them going in, but most of them going on in great volume until they struck the strait of Juan de Fuca, they proceeded along the American shore, and then crossed to Puget Sound and the eastern shore of that placid water. A few of them went into the Skagit and Snohomish and other streams in that district, but the great bulk of the fish were making for that great mother of fisheries, the Fraser. Well, Sir, a peculiar thing happened. Our American friends, whom I sincerely admire, set about to trap these fish on their way to our great fishery grounds. I do not know whether hon. members are familiar with the construction of fish traps,—huge circles of netted wires with great leads going out some hundreds of yards to lead the fish into the traps. Well, our American friends constructed such traps as these and year by year they caught these fish in immense numbers. They persisted in this foolish extravagance until they had practically destroyed our salmon fisheries. When they had a surfeit of catch they sometimes lifted their pots, as they call them—their nets—and allowed the fish to go on, but by that time the fish were too much bruised and exhausted to contend with the strong currents of the Fraser. I tell you that with a great deal of detail, Mr. Chairman, because that was the beginning of the great depletion of the salmon fisheries of the Fraser. When you hear the cannery men of British Columbia tell you about our fisheries being depleted, you will remember that what destroyed the great fisheries of the Fraser was the salmon traps placed in Puget Sound by the American canners.

This diabolical method of fishing finally depleted, as I say, our great salmon fishery. Late in the summer of 1913 contractors working for Mackenzie and Mann working on the Canadian Northern line along the southern bank of the Fraser put in a great blast and blasted a huge mass of rock into the Fraser River canyon. The fishery officials of the Canadian Government, as well as those of British Columbia, made every effort to erect fish ladders and thus permit the fish to pass, but their efforts were not attended with much success and that is what "put the kibosh" on the great fishery of the Fraser. That marks the final phase of the great run on the Fraser,—a vast run indeed, the fish coming

in wonderful numbers every fourth year. These circumstances provided an excuse on the part of the canners of British Columbia to advocate that a close season be put on in the northern country.

I notice that my hon. friend (Mr. Duff), in the able speech which he made in the House some time ago, quoted Scripture very freely, and I fear that he must have aroused the enmity of my hon. friend from North Cape Breton (Mr. McKenzie) who is always so apt in his Scriptural illustrations. Well, the quoting of Scripture very often indicates repentence and sometimes precedes conversion, so I have no quarrel with those who do it. But I noticed that in all the quotations which my hon. friend made, from Genesis to Revelation, he did not produce any authority to show that the fisheries of the world were set aside for one particular people. But that is what took place in Northern British Columbia. About 1909 or 1910 the Government of the day made a regulation that no additional companies should enter into the cannery business in Northern British Columbia, and it came to pass that this regulation was concurred in by the British Columbia Government. I cannot pause to tell you of the enormities which resulted from this regulation or of the great amount of wrongdoing that ensued.

I may say right here that I dislike raising a controversy of this kind. I myself was for a long time in the cannery business in British Columbia; many of the cannery men of that province are close personal friends of mine. So far as that goes, the cannery men are as good manufacturers as any other class in the community. At the same time, we are face to face with a certain condition in our part of the country. We have essayed to break the monopoly which exists. I am in a hard fight to-night, and I mean to lay about me with hard blows no matter who may be hit.

These regulations have been in force for about ten years in Northern British Columbia. The great bulk of fish has been caught by gill nets and the rest has been caught by purse and drag seine nets, with a few traps. The whole coast, outside of gill-net fishing, was parcelled out amongst the canning interests, and this resulted in an exclusive monopoly. You will be surprised, Sir, when I tell you that this monopoly had grown to such an extent that we were not allowed to know even about our own fisheries. A Mr. Nickerson of the town of Prince Rupert, a man who had fought a long and noble fight for the principle of open fisheries, last summer asked a quite ordinary question about what cannery or company had a certain license, and he was told that he could not be answered until the gentleman who regulated the fisheries in that part of the country would write to the chief commissioner in Vancouver, and then it might be permitted to mention how these fisheries of ours were parcelled out. Moreover, when I asked the chief commissioner of fisheries in Vancouver if I might have a map showing the purse seine and drag seine licenses, the canneries, the gill net areas, and how the fisheries were parcelled out, in my district, what do you think he said? He said: "I will give you that, but keep it under your hat." I have a pretty big hat, but I have not a big enough hat to keep this under. Well, I asked him: "Why must I keep it under my hat?" His reply was: "If you don't, you will raise a lot of trouble." I said: "Why will I raise a lot of trouble? Do not these fisheries belong to the people of Northern British Columbia? He said: "Yes, but it will make a lot of trouble." I must, however, to be honest, say that he finally gave me a huge map, which I put up in my office in Prince Rupert, and from the highways and byways I invited those interested in fisheries to come in and look at the map and see how these fisheries had been parcelled out. That shows to what arrogance this privileged interest had grown and how it had got into such a state of monopoly that nobody seemed to have any knowledge about what was taking place except the privileged class. I have not consulted with the present Minister of Fisheries (Mr. Ballantyne), but perhaps he will be able to tell the committee that at one time when only purse seine or drag seine licenses were to be let out in that part of the country, they had to be O.K'd by a politician or member of Parliament. I do not know whether that has been the case during his régime, but I think he is aware that that occurred in times preceding his administration. The whole matter had thus grown into a political intrigue and monopoly, and the privileges had been abused. We have had a long array of commissions in regard to the salmon fisheries of British Columbia, and so far as I know, they have never got anywhere; all the awards have generally ended in favour of the cannery concerns. But a rather unique commission was appointed just before the end of the war—I forget what year it was. One of the gentlemen on this commission was a member of the famous food control; another was a fishmonger

from Toronto, and another was some other man who was supposed to know something about the fishery business. That commission brought in a report recommending that no more licenses be granted for the erection of salmon canneries in Northern British Columbia for a period of five years. But a rather unique feature regarding the matter was that one gentleman on this commission, however much he wished to exclude the rest of his countrymen from the benefits of this industry, provided himself with a good fat license in British Columbia, which license he meant to operate under, but which he did not operate under because he found the tide of public opinion was so strong against him that he did not dare to do so. That is just an instance of fishery commissions and where they lead one to.

This brings me up to last year and the conference of British Columbia members upon this important question last spring. At those conferences a majority of British Columbia members were for open fisheries, and I can leave that question whether they were or not to the hon. member for Halifax (Mr. Maclean), Mr. Desbarats and Mr. Found, superintendent of Fisheries. But it was then too late to change conditions, and certain stipulations were made to provide for returned soldiers, the stipulations being that a certain percentage of gill nets and boats must be provided for returned soldiers. I wish to call the attention of the committee very especially to that point, because it will have an important bearing upon something I wish to speak of a little later on. Hon. members from British Columbia will bear me out that it was determined that the Department of Fisheries be asked to reserve a number of boats in Northern British Columbia for returned soldiers, and the department complied with this request. I may say that the department was at all times most willing to assist us and the returned soldiers and to help along the rational method of fishing. When, however, this occurred, it was too late to change conditions and we had to go on with the policy upon which we had determined. When Col. Cunningham, Chief Inspector of Fisheries for British Columbia, returned to the coast, and, with that easy familiarity he has with them, told British Columbia canners of the new conditions and stipulations regarding returned soldiers, they "went up in the air," according to his statement, and were going to come to Ottawa and do desperate things to the Government; but they apparently became finally persuaded that a good monopoly in the hand was worth a whole lot of uncertain conditions in the bush, and so they agreed to go on under the conditions that were made as regards returned soldiers. Last fall the minister telegraphed to British Columbia that he was about to declare the fisheries of British Columbia open. The Chief Inspector of Fisheries, Col. Cunningham, was called East, and that is where he enters the scene. I may say that I do not like to criticise the conduct of a public servant, but conditions may arise when one feels that one must do so in the public interest. It is an unfortunate circumstance that as long as I can remember—and I can remember over thirty years of the administration of fisheries in British Columbia—the chief inspector and the principal officers in the Department of Fisheries have been very much in favour of the canneries. I am not going to charge dishonesty, but I will say this, that they have had a cannery mind and their whole attitude has always been in favour of the canners.

When the minister telegraphed to British Columbia that he was about to declare the salmon fisheries of British Columbia open there was great consternation, and people wondered what was going to take place. The salmon canners of British Columbia, however, had been privileged for so long to control the policy of the Department of Fisheries that they seemed to be worrying very little. They began to pour in upon the department and the minister—I am saying this upon my own responsibility—voluminous telegrams asking him to wait until the chief inspector got to Ottawa. Now that was a peculiar thing—this monopoly relying upon the chief inspector of the Fisheries as their great bulwark and mainstay. However, the chief inspector finally came here. I also came here at that time. I was interested in Northern British Columbia, and in our part of the country people take an entirely different view from what they take in Southern British Columbia. I made it my business to come here at my own expense to try and influence the department with my views upon this question. It was one with which I was very familiar, and a business in which I had been engaged for a very long time. I rather think the cannery men were asleep at the switch in regard to that. Well, the chief inspector came here and I can faithfully say that he said everything he could say to urge the Government to pursue the policy that had been pursued in the past; but the Minister of Fisheries stood his ground, he was not going to be shaken from his purpose by the onslaught that had been made upon

him by the great rich cannery companies of British Columbia. So he issued a decree that the cannery enterprise was to be thrown open.

I should like, if I may, to detail, at this point the regulations that were to ensue. It is very difficult to illustrate to the House, especially to those hon. gentlemen who are not familiar with the intricacies of the salmon fishing business, the different modes of fishing that obtain, and the different regulations that have to be made. One of the regulations provided that any British subject should be allowed to procure a gill-net license, but no increase was allowed in the number of gill-net licenses to Oriental fishermen. Of course, those gentlemen who come from the East know that this question of Oriental fishing is a very vital one with us. Well, the minister made a regulation that the number of licenses issued to Orientals for gill-net fishing should not be increased, and I wish the House to follow me very closely on that point.

Mr. LEMIEUX: Did I understand my hon. friend to say that any increase in the number of Oriental fishermen was forbidden so far as gill-net fishing was concerned?

Mr. PECK: Yes. The minister made that regulation, which was in close conformity with public opinion in British Columbia. I would ask my hon. friend, whom I respect very much, just to wait for a few moments when I hope to illustrate in a very vivid way the importance of this regulation. Next, drag-seines were to be abolished wherever possible. That was a very good regulation, because, ordinarily, fishing by drag-seines is a destructive method. However, in some places it is quite impossible to catch fish without drag-seines, and in those places they have to be used. It creates a very unfortunate condition, because it is hard for the inspectors to decide just where those drag-seines may be used.

Mr. McKENZIE: What kind of fish do they catch with these drag-seines?

Mr. PECK: Salmon. I presume my hon. friend from North Cape Breton knows the method of fishing with a drag-seine. They take out a seine several hundred fathoms long and sweep it along the beach. Then the end is brought in to the beach, bringing in the fish. That method of fishing obtains only in certain places.

Next, a drastic change was made in the purse-seine regulations. Here is one of the very important points I want to bring out, and I would direct the very earnest attention of the House to it. Instead of certain cannery men being granted the exclusive privilege of fishing in large areas the coast was divided into districts, and any white British subject who paid a license fee could obtain a purse-seine license in those areas. That was a very wide departure from the former policy. Not only that, but a future policy was contemplated to remove every vestige of monopoly and restore the fisheries to our own people. I had the pleasure of meeting Col. Cunningham, Chief Inspector of Fisheries, after his return to British Columbia, and he informed me that he thought the new regulations were going to work all right. I told him I was not conceited enough to think that the cannery men had played their trump card, and that proved to be true. I think things would have gone better if the chief inspector had made a more loyal and energetic attempt to support the regulations then in force. That was his proper course. He came here quite properly, to present his views and argue his point, but when he found that his minister had decided upon different regulations and upon a different policy, then it was his business, if he was in loyal support of his minister and department to go back to British Columbia and try and put his minister's views into operation. That is where the whole thing fell down in my opinion. Instead of that, he seemed to me to do everything to interpret the regulations in the most awkward way and in a way that would disgust every one he could. I hope the minister will see fit at some time to call for the correspondence between the chief inspector and the cannery men. He will find some remarkable corespondence there, if it is all sent to him, which I very much doubt. I am not going into that, but I could entertain the House in a lively manner with some of the correspondence I had the advantage of reviewing.

Up in my part of the country the attitude is entirely different from what it is in Southern British Columbia. I represent what is known as No. 2, of the fishery districts of British Columbia. There are three districts altogether, and all of No. 2 district is in my own riding of Skeena. By a return that was brought down by the Minister of Marine and Fisheries this session I see that the value of the fish caught in British Columbia in 1919—I shall not detain the House by giving the quantities, and I shall give the figures only for salmon, although No. 2 district has the same preponderance in other fisheries that the figures prove it to have in salmon—was as follows: In the Southern district the value of the

salmon amounted to $2,483,897; in Vancouver Island, which is known as No. 3 district, $3,691,123; in my own district, the Northern district, No. 2, the value amounted to $4,744,939. This shows the great preponderance the district I have the honour to represent has in the salmon fisheries of British Columbia. Although we possess these in our own districts they are parcelled out down in Vancouver by the Chief Inspector of Fisheries and we know nothing whatever about what takes place until the gentleman who represents the Fishery Department in our part of the country—and I cannot trust myself to speak any more specifically about him—comes up and informs us as to how these fisheries have been parcelled out. For fear that I may be charged with sectionalism, I shall not pursue the subject any further.

We should have a permanent resident inspector, a man who is all the time on the ground looking after this great fishery—one of the greatest fisheries in the world, really the greatest fishery in the world—in Northern British Columbia. We should have a responsible inspector from whom we could at all times obtain information. I do not mean to criticise the department on that account because we all feel a great deal of gratitude to the minister for the strong stand he has taken in regard to open fishing.

The cannery interests got very busy and manipulated a lot of organizations in Southern British Columbia to petition the minister to cancel any regulations made or to allow those of 1919 to stand for this year, and then have a board appointed to manage the British Columbia fisheries in the future. I regret very much to say that this movement extended to some of the organizations of returned soldiers. In the year 1919 some quite valuable privileges were allotted to different people in British Columbia, some of these people being returned soldiers and therefore these few men became a privileged class and they wanted to keep the thing on. So these associations sent voluminous telegrams—most of them "collect"—to the minister about the fisheries and urging a continuation of the regulations of 1919. All they wanted was one more year, just one more year—anything might happen in one more year; the Government might be defeated—

Some hon. MEMBERS: Hear, hear.

Mr. PECK: —and hon. gentlemen opposite might come in, and that is what they really wished to happen, because these opposite canners were the gentlemen who established this monopoly under the Laurier Government. The cannerymen in British Columbia were very glad to take a chance for another year. However the Minister of Fisheries stood his ground against all these influences, and was determined that these regulations that he had made should stand. That is the end of my narrative in regard to the history of these fishery regulations, how they have come about from time to time and how they have passed from Administration to Administration and Government to Government.

Mr. McKENZIE: I wish to help my hon. friend to emphasize the case he is making out. Does he mean to tell this committee that the minister had made certain regulations that were satisfactory to him but that the Government official refuses or fails to carry them out?

Mr. PECK: The minister did make regulations which were satisfactory to my part of the country and which I think were very strong and statesmanlike regulations. I am criticising the policy of the chief inspector. I have not asked the minister as to his opinion but I am criticising the chief inspector and I attribute to the policy that was pursued by the chief inspector the fact that there is so much discontent now in regard to these regulations.

Mr. McKENZIE: My understanding is that the officer has not carried out the regulations. Is that correct?

Mr. PECK: I can only say what I have said already, that his interpretation of the regulations provided the reason for the discontent. One great stock argument is the depletion of the fisheries, and the Fraser river is pointed to. I think I have proved that it was the avarice of the American cannery men on Puget sound that destroyed the Fraser river fisheries and not the gill netter. I have not seen anybody who maintains that the fisheries were destroyed by any other method than trap fishing of the Americans on Puget sound. Yet they will come forward with the most extraordinary arguments, which I shall expose in a few minutes. It has been argued that the Alaskan fisheries are being depleted. That may be true, and it is due to the same unscrupulous use of traps by the Alaskan cannery men. One thing that is most peculiar with our friends to the south of us is their remarkable indifference to their natural resources. They seem to wish to go ahead and manufacture everything they can regardless of the future supply. The same

condition obtains on the Naas river. The mouth of the Naas river is contiguous to the Portland canal and one side of the Portland canal is in American territory. Our American friends are constructing traps along the northern part of the Portland canal and catching a lot of our Naas fish. No doubt they will injure or destroy that great fishery. If everybody fishes at every place and fishes as hard as he can, it will destroy any fishery, but if you make regulations that there shall be certain close seasons and that nets cannot be cast in certain areas you will allow the fish to pass up to the great spawning grounds.

Now we come to some of the criticisms which have been made with regard to these fishery regulations of the minister. Let us take the arguments which are made by those who are opposing the new regulations. We listen to what is said by Mr. Peter Wallace, the pioneers in the northern portion of British Columbia, a man whom I know very well and of whom I think very highly in his private character. But he has always taken a very peculiar view of the fishery situation. He claims that these new regulations will destroy the fisheries of British Columbia, and is thus quoted in the Vancouver World:

> I venture to say that hardly a cannery will operate this side of the line. The owners will strip their plants to get out of them what they can.

That is the dictum of Mr. Peter Wallace, one of the pioneer fishermen of British Columbia. In the first place, I direct the minister's attention to the fact that any argument that is put up by a canner man should be discounted by seventy-five per cent because it is argument in which he is personally interested. But I should discount the argument of Mr. Peter Wallace by more than that. I have known him for a long time, and the underlying point of the argument he has always put up has invariably been this: God put the fish into the sea for the sole benefit and emolument of the Wallace people. That has always been the nature of his argument. Now he, and some other gentlemen who are associated with him, talk about the fishing out of the fisheries of British Columbia. I want to ask one question—and in this connection I appeal to my colleagues from British Columbia: Who fished out —or very nearly did— Smith's inlet? My hon. friend from Comox (Mr. Clements) will know something about that. Who fished out Barclay sound and Naden harbour? Who but this gentleman and his associates. Who, twenty years ago, fished out the sturgeon fisheries—in cold blood—of Pitt lake? Who but this gentleman and his associates. He talks about the Americans, but in the nineties he was over helping to fish out the poor old Columbia river. But the Columbia river fisheries recovered, just as surely as ours will recover with a proper system of conservation. However, that is the class of argument that we encounter with some of the canners of British Columbia.

Now, I shall cause Mr. Wallace to leave the stage and we shall have another entry up it—I will not say the entry of a hero, neither will I say of a villain—I refer to Hon. William Sloan, Minister of Fisheries of British Columbia. He is always there with the corporations, ready to raise a voice in the interests of privilege. When these new regulations were made by the minister —I will let you into a Cabinet secret, I do not think I am acting wrongly in so doing —the Minister of Fisheries of British Columbia tried to induce the British Columbia Cabinet to condemn those regulations. But "Honest John" and some of his friends did not see it that way, so he had to decide upon another policy. He brought out a very elaborate treatise which was very well printed. Its cover, if I remember rightly, was ornamented with gold lettering. This treatise stated that the fisheries of British Columbia were about to be entirely depleted, and he advocated that the Government of Canada should take them over. What a pity it is that these views about the cannery monopoly did not once cross Mr. Sloan's mind when he was a member of the Dominion Parliament and a supporter of the Laurier Government. What a pity it was that it did not cross his mind in view of the fact that he, more than any other living man, was responsible for the introduction of this canning monopoly in Northern British Columbia. I remember very well—I was in the cannery business myself at that time—his telling me about how they were going to prevent any other canneries being started on the Skeena and on the northern rivers. I said to him, "Bill, it's too raw, the people won't stand for it." However, I was wrong and he was right. The people did stand for it all these years, and a lot of them stand for it yet; so I was wrong in that regard.

Now, Sir, I have nothing against that argument, if it can be proven that private enterprise cannot handle these fisheries. I belong to that school of economists who think that these are natural resources of

the country which by their nature may be very well and to advantage administered by the Government; but if any one can prove to me that the fisheries of British Columbia may be better operated by the Government I would be very glad to support that argument and that plan. However, I do not believe, Sir, that that is the case. Take our Atlantic fisheries. I might appeal to my hon. friend from Lunenburg (Mr. Duff) and my hon. friend from Inverness (Mr. Chisholm) who know those fisheries well, and I think they will admit that they are carried out entirely by private enterprise. Furthermore those fisheries are very successful, they are a great resource of this country, and there is no reason why they should be carried on and operated by the Government.

I would like to read a quotation from a speech that was made by Hon. Mr. Sloan at the Fisheries Convention that was recently held in Vancouver, and I am sorry that I have not got time to read it in extenso, he said in part:

> I view with alarm existing conditions. There is the gravest danger of one of our leading assets being wholly destroyed. It is time the Dominion Government viewed the situation in this province as it is. Commission after commission appointed by the Dominion, after investigation, have set forth the distressing facts. The reports and recommendations of those commissions have been and are being ignored in Ottawa.

Of course Mr. Sloan does not say how long this ignoring has taken place, but it is some time. He goes on:

> It is high time that the conditions be realized. The fish of the province belong primarily to its people and the people of Canada.

That is the particular phrase I wish to call attention to. Mr. Slon did not have those views when he induced the Laurier Government to introduce the cannery monopoly. Oh, no, he did not have those views at all. He then thought that those fisheries should be left to the canners of northern British Columbia. He suddenly experienced a change, but we are very happy to see that illustrious statesman arrive at such a state of mind. He continues:

> They constitute one of their greatest natural resources. The fisheries, if properly administered, will last for all time. They can be so administered as to outlast our mines and our forests. The depleted runs can be restored. The interior lake waters can be stocked with desirable forms of food fishes without danger to existing species.

He was very hopeful so long as we kept the great fishery in the hands of a private monopoly. He goes on:

> The salmon fisheries of this province should be taken over bodily by the Dominion Government and operated to their betterment.

As I said before, what a shame it is that Mr. Sloan did not have those views when he got the cannery monopoly established. However, he has changed his mind and when the cannery monopoly came under the firm hand of a strong federal minister he comes out and says: "Let us hand the thing over to the Government". I have a very strong suspicion, Mr. Chairman, that there are some very bad old cannery plants on the Fraser that the owners wish sold at a good price. I think there is a whole lot to be said from that point of view.

I would like to put this question to the committee, whether or not they think that I or the other residents of northern British Columbia are going to advocate a policy which will destroy those great fisheries. I do not think that any hon. gentleman will accuse us of anything like that. We want to open those fisheries to the enterprise of our countrymen.

I wish to quote from a letter written to me by a man whose name is very honourably associated with the salmon fisheries of British Columbia, a man who has passed the best part of his life in the industry, and who wished to get a cannery license. In his letter he quotes what a cannery man,—not a fishery official remember,—said to him:

> I will give you $5,000—

This is in regard to a cannery license which a cannery company wished to secure in certain waters of northern British Columbia.

> I will give you $5,000 in cash or stock if you get that license. I will have no dealing with anyone else in the matter. If you do not accept this you will not get the license.

This, of course, was some years ago. I could quote a whole lot more, Mr. Chairman, but I think I should not detain the House at this hour. I say that this monopoly not only debauches the people who regulate it, but it debauches the people who enjoy it, for it leads to all sorts of intrigue and machinations, and ultimately it can lead only to corruption.

Let us come to the chief argument that has been advanced by the cannery interests against the purse-seine regulations of the minister. Of course they did not say that what they feared was the destruction of the cannery monopoly. No! what they feared was that this purse seining would get in the hands of the Japanese! It is very edifying to find the cannery men so

anxious for the benefit of the white men. I appeal to anyone and to all my hon. friends from British Columbia as to how the Oriental prestige in our salmon fishing grew up, how but under the fostering care of the salmon canners of British Columbia. Can any man deny that? I think not. That is how they grew up, but all of a sudden those gentlemen become exceedingly patriotic and they do not want to see purse seining get into the hands of the Japanese! They claim that by opening up the purse-seine areas—instead of keping them for their own exclusive monopoly—they, the cannery men, will be able to get all kinds of purse-seine licenses in the name of white British subjects and then employ Japanese to run them. However, Sir, they have been playing upon the fears of several organizations, and they have induced those organizations to take action, at least, we have all received long "collect" telegrams—(all hon. members from British Columbia who remain here for the magnificent sum of $2,500)—costing $4 or $5 each, asking us to preserve the regulations of 1919. I wish to say that the policy of the minister in making those regulations was to destroy this monopoly and to restore our fisheries to our own people.

Now I wish to come to what I think is a very important point. As long as I have been in British Columbia, and that is over 30 years, I have heard politicians year in and year out seeking to represent the people in municipal, provincial and federal affairs, and their one line of talk has been to make the province a "white British Columbia." But I notice that the province is getting more yellow all the time. At last comes along a minister who, I venture to say, proposes to pursue a definite policy which will restore these fisheries to our own people. What happens? The interests who enjoy the privileges of this monopoly turn against him. Not that the Minister of Marine and Fisheries wishes to discriminate against the Japanes people. I do not think that is in his mind; I am sure he has the same admiration for the Japanese nation as I have myself. I admire the prompt way in which they entered into the war; I admire their punctilious observance of treaties; and I admire the honourable way in which they discharged their obligations in the war. But at the same time I think it is ridiculous to say that Japan would ever tolerate a state of affairs such as we have in British Columbia where a foreign population controls the fisheries.

Let me make a comparison of how our fishery licenses are allotted between the Japanese and our native-born Canadians In 1919 out of 4,596 gill net licenses, only 417 were held by native-born Canadians; and out of 2,203 trolling licenses only 412 were held by native-born Canadians. Now these methods of fishing are peculiarly the poor man's, and I am quoting these figures to show how the fisheries are controlled by the Japanese.

Shortly after the war regulations were published, Mr. Ukita, the Japanese Consul in Vancouver, got into the press, and he condemned the regulations. But I would like to put it to Mr. Ukita, with the utmost respect for him or any other representative of the Imperial Japanese Government, if he thinks his government would tolerate a state of affairs such as obtains in our fisheries in British Columbia. I do not think so for a moment. We might cite their mercantile policy. When they started their mercantile marine they had their ships built in Great Britain, but they employed British officers to manage them. As time went along—and no one could criticise their action; it was quite right—they officered those ships with their own nationals, and it is well known now that the ambition of Japan is to control the mercantile marine of the Pacific. No one criticises that ambition. It shows that Japan is a wide-awake nation. It also shows that she would not for a moment tolerate the state of affairs in her fisheries such as we permit in British Columbia by allowing the Japanese to control our salmon fisheries.

There is a great deal of difference of opinion about matters of naval policy. Well, if we ever have a navy or a great mercantile marine, where are we going to draw our sailors from? Are we going to draw them from a foreign population? I put that question to my hon. friend (Mr. Duff). Shall we draw them from Japanese engaged in the fisheries? I do not think so. But, somebody may say, these Japanese who engage in this business—are they not all British subjects? Some of them are and some are not. As I pointed out the other day to a committee of the House, a good many of these naturalization papers are juggled back and forth so that we have no reason to know that it is a bona fide British subject who is securing a particular license.

It is suggested that an embargo be placed upon the export of salmon from British Columbia to the United States, The cannery men want an embargo on certain grades of fish in order to prevent them going to the United States. Personally I see no reason why an embargo should be put on

this product any more than it should be put on grain or any other similar product. If such an embargo is put on, an exclusive market will be created and the fishermen will not obtain as good a price for their fish as they otherwise would.

The hon. member for Lunenburg (Mr. Duff) made a very able and very instructive speech a short time ago upon the general question of the fisheries, during the course of which he criticised the policy of articficial propagation of fish. We have no better authority than my hon. friend in the matter of the eastern fisheries, but when he gets into British Columbia he gets beyond his depth;—the water there is a little deeper than he is accusomed to. I am fair to say that the hon. member would not have made the criticisms that he did had he not been misinformed from certain quarters,—and I really think I know from what quarters he received his information. However, he mentioned the depletion of the sockeye fisheries and the expansion of production of pinks and chums, the cheaper grades of fish, which have not been propagated artificially. He endeavoured to show a continuous decline in sockeye production and a continuous climb in chum and pink salmon production, with the object of proving that notwithstanding the hatching of sockeye the fishery has been going down and that without artificial hatching the other species have been coming up; in other words, that the hatcheries have been depleting rather than building up the sockeye fisheries. He points out a serious downward trend in the sockeye fishery of the Naas river, but he fails to state that there never has been a hatchery on the Naas, or that that river system has never been stocked from any hatchery. On the Skeena, where we have two hatcheries, the sockeye fishery is being rapidly brought back to the maximum of productivity. The hon. gentleman's figures stopped at 1917, up to which point there was for many years a general downward trend. But while the pack in 1917 was 65,760 cases of sockeyes, in 1918 it rose to 123,322 cases, and last year to 184,945 cases, (or only about 2,000 cases less than the biggest pack ever put up in any one year since fishing started there), which was in 1910, when 187,246 cases were packed. Another fact which shows what the hatcheries are doing on this system is that when the Babine hatchery at the head of the Skeena river was established, it was placed on a stream which while suitable for a hatchery, was not frequented by salmon to any considerable extent. After stocking this stream for a number of years we find that salmon are now coming to it every year in such numbers that the hatchery is usually practically filled from this stream alone. I cite these facts for the information of my hon. friend. As a matter of fact, the salmon of British Columbia have been almost entirely controlled by the sockeye pack. The sockeye are the red fish; they are sold in the Old Country market, and that market controls salmon prices just as it controls the prices of many other products. Such fish as pinks and chums have never been sold in the Old Country market. In fact, they were not manufactured to any great extent in British Columbia until the war conditions came upon us and there was a great demand for cheap food. The salmon canners of British Columbia then found it profitable to manufacture the cheap grades of salmon, and the trade in these grades has grown to a considerable extent. But artificial propagation had nothing to do with the growth of production of these grades; I think my hon. friend will find that I am correct if he looks carefully into the matter.

With regard to the policy of the department, I hope that returned soldiers will be given an opportunity of entering into fishery enterprises. I shall not go into this matter in detail, because it is now before a committee of the House and it is not proper that I should speak upon it now at any great length. But I hope that some such policy will be adopted.

To sum up: I make bold to say that the discontent in British Columbia over regulations—outside of the manipulations of those who were personally interested—was caused by the interpretation that was put upon them by the Chief Inspector of Fisheries. Had he interpreted them according to the spirit of the minister's policy he would have had little trouble. But what has been the result? The cannery men say that if you throw these fisheries open so that everybody has the right to come in, there will be a lot of canneries and the fisheries will be depleted. Well, since the minister broke this monopoly one canner has started business in my district. I want to tell you, Mr. Chairman, that before this monopoly was broken three different canners came to me and asked me to assist them to secure licenses in No. 2 district. So you can see that these men were willing to start so long as they had a monopoly, but once the monopoly was broken they were not willing to take a chance with the outside world.

The result is that recently fewer canneries have been started than would have been started had these gentlemen achieved their desire. I think, therefore, it is proved that in such competition as obtains in Nova Scotia and the Maritime Provinces, where people enter the business without any favours, competing openly with the world, there is a natural safety valve which regulates the enterprise; and that under such conditions the fisheries will not be destroyed.

What we want in this country is a great white fishing population, men of our own brawn and breed, men who will develop this great enterprise so that it will be our mainstay in the hours of national peril. I appeal to this Government and to any Government, and to this Parliament and to any Parliament to stand by the regulations of the minister. I do not claim that those regulations are perfect, but if they are wrong they can be changed. If it can be proved that this industry cannot be operated by private enterprise, I would be prepared to see the Government take it over, but it must be proved to me first. Whatever happens, I wish to appeal to the committee not to put us again under the heel of this monopoly. Leave this enterprise open to the enterprise of all our citizens and do not exclude us from this great natural resource which has been bestowed upon us by a Divine hand for our sustenance, prosperity and happiness.

Mr. DUFF: I am sure we have all been greatly interested in listening to the remarks made by my hon. friend (Mr. Peck), whose address will be a valuable contribution to Hansard. With his knowledge of Pacific fisheries, especially the salmon fisheries, we are all pleased to listen to his observations. I am glad to hear that the salmon fishery monopoly in British Columbia has been done away with, and I might say to my hon. friend that some hon. members on this side of the House who, if they only had the power, would, perhaps, long ago have broken this monopoly, appealed to the minister that it was time this monopoly was broken. If hy hon. friend will refer to Hansard of March, 1919, he will find that when the Fisheries Act, 1914 was being amended in regard to licenses for salmon canneries in British Columbia, the hon. member for Cape Breton North and Victoria (Mr. McKenzie), the hon. member for Antigonish and Guysborough (Mr. Sinclair) and your humble servant, the hon. member for Lunenburg (Mr. Duff), strongly advised the then Acting Minister of Fisheries (Mr. A. K. Maclean), who was in charge of that Bill that the monopoly at that time existing in British Columbia was not in the best interests of the fisheries. In the Montreal Star I noticed a report of an address made by the Hon. Mr. Sloan, Minister of Fisheries of British Columbia at the annual convention of Fisheries in Vancouver. That gentleman strongly criticised the Minister of Fisheries regarding the Fisheries of British Columbia; he held that the officials on the coast were not men who should be in charge of the fisheries. I also note from what my hon. friend (Mr. Peck) says, that he is evidently not quite satisfied with the fishery officials on the British Columbia coast. The hon. gentleman will remember that when I made my few remarks in March, 1920, regarding the fisheries, I strongly represented to the minister and to Parliament that some change should be made in regard to the officials who had charge of the fisheries on both the Pacific and Atlantic coasts. I am very glad my hon. friend has backed me up in that view. The time has come when we should have practical men in charge of the fisheries of this country. If we ever expect our fisheries to progress and increase, and people to engage in this great industry, we must have, in charge of the fisheries on either the Pacific or the Atlantic coast, men who have practical knowledge, so that when the public come before them those officials will be able to give them practical advice. We appreciate what my hon. friend has told us regarding the fisheries. He has made a very illuminating address, and I am sure the committee has listened with pleasure to his observations.

Mr. MARTIN: If there is one member more than another for whom I have a kind regard, it is the hon. member for Lunenburg (Mr. Duff), but when he tells this committee that the Canada and the Grilse should be maintained for fishery purposes in streams and rivers, then he and I disagree. I have not taken up much of the time of this House, and I do not intend to do so now, for two reasons: First, on account of my disability, I could not stand up to express myself as I would wish to do; second, I can tell a story perhaps that will illustrate my position. I had an old friend in Nova Scotia whom I had assisted in placing in a council. He had served there for three years without saying a word, and about the expiration of his time I said to him: "Old man, say something so as to let the people know that you are there." He

said: "It is necessary to be here for three years to know what to say without making a fool of yourself."

Mr. DUFF: Why are you speaking now?

Mr. MARTIN: Louder. I would ask my hon. friend (Mr. Duff) if we really have a fishing industry in Nova Scotia. I am sure he will answer "yes," and so will I, and we have a good one, one profitable for him as well as for others. But last year, returning from Ottawa, while I was at Montreal waiting for my train, I dropped into a theatre. About that time the Victory Loan was on and pictures were being thrown on the screen showing why we should purchase bonds, the reason, of course, being that we might assist our Allies, and so on. The pictures started from the West, showing the wheat fields with the magnificent crops of wheat and all the rest of it. Then pictures were shown of the shipping of the wheat to the elevators and the work of loading, and it was said that this was what we were spending the money for in order to assist our Allies. We came, however, from the West to Ontario and Quebec, and very nice things were said about those provinces. But we arrived at New Brunswick, and on the screen this was said: "New Brunswick is noted for its coal and steel industries." I do not know of any such industries in New Brunswick. Then, we came further East, and we were told: "Prince Edward Island is noted for its immense fisheries. What a joke! I do not know where Nova Scotia was all this time, but that was no fault of New Brunswick or Prince Edward Island, for the reason that the then Minister of Finance had a stupid bunch at Ottawa. I inquired where this information was obtained, and I was told: "Oh, the Publicity Committee at Ottawa." That accounts for how that happened. The hon. member for Lunenburg (Mr. Duff) said many things in his speech, and he really quoted Scripture. I think he must have been tutored by the hon. member for Cape Breton North and Victoria (Mr. McKenzie) because he quoted to the extent that our Lord had sent Simon to cast the net in which he caught multitudes of fishes. But, perhaps, the net was a little larger at this time, and our Lord went somewhat further and said to Simon: "Go forth; fear nothing; you will catch men later on." I think we have caught the hon. member for Lunenburg not treating this Government fairly for what they have done. He read and gave us fine, grand advice, but I would ask him: Was the fishing industry in Nova Scotia worth while in 1910? I think echo answers, yes. What did his friends, the then Minister of Finance, now the hon. member for Shelburne and Queen's (Mr. Fielding) and the leader of the Opposition in this House to-day (Mr. Mackenzie King) and the hon. member for North Cape Breton (Mr. McKenzie), and the hon. member for Antigonish (Mr. Sinclair) do for the fishing industry in Nova Scotia in those days? Nothing that we know of. Then why blame? Why not give credit where credit is due? From 1911 up to to-day many and many good things have been done by this Government for the fishing industry of Canada, and particularly of Nova Scotia. I do not wish to waste the time of this House, as it has been wasted by other hon. members, by putting on Hansard all that has been done by this Governmet for the fishing industry of Canada and Nova Scotia particularly.

Mr. POWER: Where is Nova Scotia?

Mr. MARTIN: It is not in Quebec anyway. I shall not place these facts on Hansard—

Mr. POWER: Is Nova Scotia—

Mr. MARTIN: Sit down. I shall publish these facts as to the fishing industry in the press and they will show that the hon. member for Lunenburg has not given to the Government that credit which is due them, and I hope these facts will make him change his mind in the near future.

Mr. KAY: While we are on the subject of fishing, having heard from the far West and the far East, I wish to bring to the attention of the minister the question of net or seine fishing in Missisquoi bay. Two years ago I brought before the House and before the minister the question of the prohibition of net fishing in Missisquoi bay. The inhabitants of the country surrounding this bay have long been accustomed to fish with seines for six weeks in the spring of the year, from the 1st of March to the 15th of April. A great many of these men earn their livelihood from this pursuit. I have estimated that at the present price of fish the catch of these fishermen in the six weeks would amount to $21,000. But this Government, by an Order in Council passed on the 18th of February, 1918, prohibited net fishing in Missisquoi bay. The Order in Council was based on the advice of the Interntional Joint Com-

mission on Fisheries, and I have before me the evidence taken before that commission which was brought down in a return a few days ago. The Canadian members who sat upon that commission were: Mr. Hazen, now Chief Justice of New Brunswick; and Mr. Found, of the department here. I am surprised to find by the evidence that the only witnesses heard were representatives of the states of Vermont and New York. The Canadian members of the commission did not think it was necessary even to invite any Canadians who were conversant with the situation in Missisquoi bay, to refute the evidence given before that commission by these other witnesses. I am going to read a few extracts from the evidence. The first is headed "The Lake Champlain situation":

Chairman Redfield: I understand that our friends from Vermont, who are interested in the lake Champlain situation, are here, and we shall be pleased to hear from them.

The first witness called was Commissioner Patrick, representing the Vermont Fish and Game League. Mr. Patrick seemed to take the ground that as the United States had become our Allies in the war it was only proper that this country should grant any request made by the United States. This is what he says:

If there was ever a time in the history of this North American continent when Canada could ask a favour of the United States or when the United States could ask a favour of Canada, it would seem to me that that time is the present, when our boys are fighting side by side with your boys and when both countries are linked together in an effort to win a world-wide war for democracy. With the present good feeling that seems to exist between the two countries, for that reason, we feel that we now have a right to ask that the seining or drawing of nets in Missisquoi bay be discontinued, and we hope this request will receive impartial and careful consideration and will be granted.

The next witness was Fish Commissioner Linus Leavens, Chairman of the Vermont State Fish Commission. He says:

Our people are very much interested in the development of the inland waters of lake Champlain as a source of supply for food and game fishing.

The next witness was Mr. Loomis, Chairman of the Lake Shore Transportation Company. He says:

I am engaged in the operation of hotels and steamboats on lake Champlain. Our business is largely that of a tourist character, and among the tourists a large number are hook and line anglers. Their attention is attracted to Vermont because of the hook and line angling in lake Champlain. The continuation of the seining has had a very serious effect on hook and line fishing.



This argument is not a good one, as I think I can prove to the minister.

It is now three seasons since seine fishing has been abolished in Missisquoi bay and to-day there are fewer sporting fish than there were three years ago. The reason is this: Missisquoi bay has a great number of fish know as perch. This is a small active fish that feeds on the spawn and young minnows of other breeds. Out of the total catch of fish in Missisquoi bay 82 tons were perch and about 17 tons wall-eyed pike or doré which is the fish the Vermonters wish to preserve for their tourist traffic. You can readily understand that if these large numbers of perch are left to breed and increase in the lake they will very soon entirely destroy all the game fish. At present that lake is absolutely infested with perch. The angler drops his line in the bay, swarms of perch crown about his bait and he gets a small fish weighing about half a pound.

The next witness before the commission was Mr. Titcomb, Fish Commissioner of the State of New York. He says:

Here on lake Champlain there are millions of dollars invested in summer homes and hotels, and certainly something should be done in the way of protection. The pike-perch is looked on in this lake as a game fish. It is one of the few places in the country where the pike-perch is regarded as a game fish. It is a great thing for that section to have people able to catch them.

In the course of his evidence further on he says:

Missisquoi bay elects representatives on the issue, also, the same as is done on our side. Your fishermen elect members of Parliament by campaign funds on this issue, and the same thing is done by fishermen in Vermont in connection with the Vermont legislature, and men on our side assist in helping your members of Parliament to get elected, to keep up fishing on that side.

I may say that as far as I am concerned that is entirely untrue. I received no assistance from the American at the time I was elected. Mr. Titcomb says further:

If we can get the rough fish out of the lake—

Rough fish being the perch and others like the bullpouts.

—without interfering with the fish that bring these people into the region and that have brought in property there so that it has increased from a very small, nominal value to an immense amount, increasing the wealth of the surrounding country by bringing in beautiful homes, well and good.

Even this Vermont commissioner realizes the fact that these rough fish should be taken out of the lake. At the end of the evidence:

Commissioner Hazen: Are there any other States that border on the waters of lake Champlain except Vermont and New York?

Mr. Titcomb: No. Sir.

Commissioner Hazen: And has all fishing been abolished there?

Mr. Titcomb: All net fishing.

Commissioner Hazen: Net fishing, as well as seine fishing?

Mr. Titcomb: Yes, sir, every kind.

This is the way commissioner Hazen sums up:

We have listened, gentlemen, especially Mr. Found and myself, the Canadian members of the Commission, with very much interest to what has been said by you gentlemen from New York and Vermont, and I have no hesitation in saying that I think they have made out a very strong case.

Further on he says:

I think, in view of what you have said, that the matter will be taken up by the Canadian department dealing with fisheries, and I feel that they will be impressed, as Mr. Found and myself have been impressed, by the facts presented. I think very little time will elapse before the question will be fairly met, with the idea of preserving the fish in the lake. While we have not heard what may be said by the people on the Canadian side with regard to this matter, it appears to us at the present time that this fishing by nets should be abolished and that only fishing by hook and line should be allowed. In that way the fish will be preserved and those waters will continue to be a source of delight to tourists who enjoy the fishing. I think in the long run such action as is suggested will be very much in the interest of all.

Our commissioner, the present Chief Justice of New Brunswick, commented upon the fact that no Canadians had been called to give evidence but he dismissed that with a wave of his hand. Is that the position wich our representatives on the International Joint Commissions take as regards the rights of Canadians? In the course of some of the correspondence which took place between the department of Marine and Fisheries and the Fish Commissioners of Vermont and New York there are a few extracts I would like to read to the committee. Here is a letter from Mr. Loomis to Mr. Titcomb:

We want to all pull together, and it seems to me as if we can break up this piratical crowd of Canadians in Missisquoi County. They and the fish buyers are probably the only ones who are anxious for this thing to go on. There is work yet to do on this question, and I trust you will continue to give us your valuable assistance.

Here is a copy of a letter received by Mr. Loomis from a friend located in Alburg, Vermont which is situated on the American side of Missiquoi bay:

The pirates are all at work. They are chopping ice preparatory to fishing in a large scale. Shanties are all placed, large gangs of men are chopping in order to make the first haul March 1st. Ice awful thick. Above in response to telegrams received Saturday and yesterday from Quebec to "go ahead". Licenses are on the way.

Naturally the Canadian fishermen are jubilant, and often remark "to H... with the d... Yankees and Ottawa Government. Quebec can run their own business", etc., etc. Likewise the American fishermen are mad, thoroughly mad, and the question is, "We'll get all we can. Fish buyers from Boston and New York are here on every train.

That letter was sent to Mr. Desbarats Deputy Minister of Marine and Fisheries and in acknowledging it to Mr. Titcomb Mr. Desbarats uses this curious language:

You are no doubt in a position to closely follow the conditions through your local officers, and if you will inform me of any steps being taken towards irregularities we should endeavour to see that the necessary measures are taken to have the law fully enforced.

In order that the minister may be fully seized of the geography of lake Champlain, I wish to correct a statement made in an official communication from him. I hold in my hand a letter written by the minister on this question in which he states:

But a small portion of the lake is in Canadian territory, and the States of Vermont and Massachusetts in which by far the greater portion of it lies,—

I wish to point ont to the minister that lake Champlain is bounded on one side by the State of Vermont and on the other by the State of New York.

In view of the fact that this Order in Council was passed at the request of the United States authorities, espcially the authorities of the States of Vermont and New York, and was practically granted by our section of the commission owing to the fact that they were our allies—of course it seemed that as such we must grant them every request they made—and in view of the fact that no Canadians (none of the fishermen and none of the people from this side of the line) were consulted or asked to give evidence before the commission, I ask the minister if he does not think it would be fair to re-open the case and hear what our people have to say. If he will grant that request, I can produce a great deal of very interesting evidence. The fishermen on this side of the line who come to Missisquoi bay for the purpose of catching bass—of which there were formerly a great many in the lake—all assure me that since seining has been prohibited bass and pike-perch have decreased very much, while perch have greatly increased. As I said before, there is a very insignificant number of pike-perch caught with seines in the spring, as seining is stopped on the 15th April at the time the

fish have commenced to spawn. The people of the country surrounding Missisquoi, by the permitting of seining, would be supplied with a great quantity of good, fresh fish at a season of the year when it is very much in demand, and the anglers would enjoy very much better fishing if this vast quantity of perch could be taken out of the lake every year. Two years ago, at the time I brought to the attention of the minister the fact that this seining had been going on for a great many years, I stated that the fishermen were accustomed to prepare for their fishing a week or two in advance, that many of them at that time had bought new equipment which represented to them a considerable amount of money, and that the Order in Council prohibiting seine fishing was passed on the 18th February, and only published on the 26th of that month, four days before seining was to commence. I then asked the minister if he could not see his way clear to recommend the reimbursement to these men of the amount they had spent in purchasing new equipment. I am sorry to say the minister could not see his way clear to granting that request, and these men still have their seines unused. They have not broken the law in any way, they have observed the rules which the Government made by Order in Council, and therefore I appeal to him very strongly to have the case re-opened, or better still to immediately pass an Order in Council restoring the rights which Missisquoi bay enjoyed in former years.

Mr. McMASTER: I propose to detain the committee very briefly indeed while I offer a few observations in support of the case made out by the hon. member for Missisquoi for the re-opening of this question of seining for fish in Missisquoi bay I can quite understand that at the first glance, after only a cursory examination of the subject, it would appear that if you stop netting fish in any great body of water there would be more fish which would be caught by hook and line. But it would appear that the experience of the last few years is to the contrary; that in lake Champlain the prohibition of seining for the rough, or less valuable, breeds of fish has resulted in their very great increase, and in the comparative decrease of the game fish—the black bass, the pike, and fish of that character. Now it would appear that no one could object to the object of this legislation. The object was to develop the game fish in lake Champlain I have to remark, however, that the regulation in question was arrived at on very slight evidence and without proper opportunity to the Canadian fishermen to present their case. However, it is rather to the future than to the past that I wish to look. I would like to see this matter reopened. I would like to have the question looked at in the light of the experience that the last three years have afforded, because it does seem to me reasonable to argue that if the rough fish are taken out of this lake there will be more food for the game fish, and the spawn of those fish will be protected from the ravages of the coarser varieties. This is a matter which does not merely concern the fishermen at Missisquoi, whom to characterize as "pirates" is very improper; they are very decent people who live there and earn their living in the summer through acting as guides and fishermen, and who fish in the early spring in a commercial way and are able to make a decent livelihood for their families in that manner. But there is a more important feature of the situation, and it is this: There has been a tremendous development on both sides of lake Champlain by summer resorts. But lake Champlain—beautiful lake as it is— is only somewhat as beautiful as the country that lies to the east and to the north of it, the Switzerland of Canada, the Eastern Townships of the Province of Quebec, one of the counties of which I have the honour to represent in this House. There is no more charming part of Canada than the Eastern Townships. Lake, river, mountain, forest and fertile field all combine in a most pleasant variety to make this the most beautiful district of Canada in the minds of a great many thinking Canadians. I know that other members think that they represent the most beautiful counties in Canada, but I challenge comparison with the Eastern Townships for beauty of scenery, salubrity of climate, and purity of water.

Mr. DEVLIN: I accept my hon. friend's challenge. It is well known that the Gatineau is the Switzerland of Canada.

Mr. CASGRAIN: What about the county of Charlevoix-Montmorency for scenic beauty?

Mr. McMASTER: The Gatineau may be described as the Tyrol of Canada, but the Eastern Townships are our Switzerland.

Mr. DUFF: What about Nova Scotia?

Mr. McMASTER: Nova Scotia no doubt has also many beautiful spots. As a matter of fact Canada is replete with beautiful

spots. The leader of the Opposition and the members for Queen's will declaim on the beauties of Prince Edward Island, and others will tell us of the beauties of the lower St. Lawrence. From the Atlantic to the Pacific Canada is full of natural beauties. But the point I wish to make is that that is an opening for a tremendous development of tourist traffic through the Eastern Townships. We have good railway connection by the Boston and Maine, the Central Vermont and the Canadian Pacific, with the great centres of population not only of our own country but of the United States, and there is a great opportunity for the development of the summer resort business. That being the fact, it is incumbent upon the minister, it seems to me, to open this question again to see whether a mistake has not been made, in order that the fishing in the Mississquoi may be improved. That the member for Mississquoi (Mr. Kay) and myself, from the information we have at our disposal, believe that it was a mistake to prohibit seine fishing, and that the removal of the rough fish in the lake will result in the amelioration of the conditions for game fish.

Mr. BALLANTYNE: Mr. Chairman, I move that further consideration of this item be postponed, to permit my hon. friend the Minister of Health (Mr. Rowell) to present his Estimates.

Item stands.

Department of Health, $727,500.

Adulteration of Food and the administration of the Act respecting fertilizer, fraudulent marketing and commercial feeding stuffs, $90,000.

Mr. ROWELL: I move to amend this item by striking out the words:

Act respecting fertilizer, fraudulent marking and commercial feeding stuffs.

and substituting therefor the words:

Acts respecting Food and Drugs and Honey and Maple Products.

Mr. McKENZIE: Why amend the item at this stage?

Mr. ROWELL: The amendment is quite within the rules. There is no change in the destination of the funds, but since these Estimates were framed the Acts in question have been amended and are known by different names, and this is simply for the purpose of substituting the new names of those Acts.

Amendment agreed to.

Mr. MACKENZIE KING: There is an increase of $20,000 over last year. How does that become necessary?

Mr. ROWELL: The increased estimate is due to two causes. First, it is intended to provide for the establishment in the city of Montreal of one of the small laboratories which we use in the Food Adulteration Branch. At the present time we have laboratories in Winnipeg, Halifax and Vancouver, and it has been found desirable to have one at Montreal. A number of cases have arisen within the last year where it was important to have an examination of the samples of food taken, and in order to have such examination it is necessary in the interests of the proper enforcement of the law to have a small laboratory available in Montreal. Its estimated cost is $10,000. The other increase is due to larger amounts necessary to provide for the pay of the inspectors appointed under the Act for the enforcement of the law. Unfortunately during the past year a number of these men have resigned because they did not feel the compensation was adequate, and in replacing them we have had to pay larger remuneration.

Mr. MACKENZIE KING: Were the new ones appointed by the Civil Service Commission?

Mr. ROWELL: Yes. Then there were also some giving part time to the Inland Revenue and part time to the food administration. They resigned their positions as inspectors under these Acts and are devoting their whole time to Inland Revenue work. The increased duties under these Acts will require the whole time of the new men appointed. These men will not only have their duties as inspectors under the Act relating to Food and Drugs, but they will also have to render assistance in enforcing the provisions of the Proprietary and Patent Medicine Act and the Opium and Narcotic Drugs Act.

Mr. SINCLAIR (Guysborough): Will the minister give the names of the food inspectors in Nova Scotia and their salaries?

Mr. ROWELL: Halifax, R. J. Waugh. He has been receiving $1,250. It is considered that his salary should be increased, and this will be done if the commission approves.

Mr. DUFF: Is he still Deputy Inspector of Weights and Measures?

Mr. ROWELL: No. He is now become solely an inspector under these Acts.

Mr. DUFF: But he has been Deputy Inspector of Weights and Measures?

Mr. ROWELL: I do not know. I know some of these men did work under the Inland Revenue Act and under this Act, but in future they are working solely under these Acts. This man was paid under this Act before, so I assume he must have given his whole time to it. At Sydney, E. T. MacKeen, salary $1,200. Those are the only two in the province of Nova Scotia.

Mr. McKENZIE: Who is the inspector at Sydney?

Mr. ROWELL: E. T. MacKeen.

Mr. McKENZIE: Is he not an officer of the Inland Revenue Department?

Mr. ROWELL: He would be under the Department of Inland Revenue when the administration of this Act was under that Department. Then, when the administration of the Act was transferred to the Department of Trade and Commerce he became an official of the Department of Trade and Commerce and was one of the officials transferred to this Department when the adminstration of the Adulteration of Foods Act came under the Department of Health.

Mr. McKENZIE: I think my hon. friend's history of Mr. MacKeen's position is altogether wrong. He was appointed as Collector of Inland Revenue at Sydney some years ago, Mr. Fraser, of Pictou, was the chief officer of the Department in that part of Canada and Mr. MacKeen was second to him, I understand. I believe that a change has been made in his position.

Mr. ROWELL: He may have been originally appointed as Collector of Inland Revenue but more recently he has been devoting his whole time to work connected with the enforcement of this Act.

Mr. SINCLAIR (Guysborough): Formerly there was an officer in the county of Antigonish who received a small salary under the title of Food Inspector. Is that office still in existence?

Mr. ROWELL: We have no such officer there at the present time.

Mr. SINCLAIR (Guysborough): There are not two classes of food inspectors—one class under another department, perhaps?

Mr. ROWELL: Not that I am aware of.

Mr. DUFF: What is Mr. Waugh's salary?

Mr. ROWELL: It is $1,250.

Mr. DUFF: I know Mr Waugh very well, though he is a resident of Halifax. For a number of years he has visited Lunenburg and other counties on the western shore of the province. A man of his ability is certainly entitled to much more than $1,250 a year. I do not know how he can live in Halifax on that salary. If the Civil Service classification gives him only that amount, the minister should see that these officials are properly paid.

Mr. ROWELL: It is my intention to recommend that four inspectors who have been a long time in the service at important centres be classified as senior inspectors and receive $1,680 a year. Mr. Waugh is one of them.

Mr. McKENZIE: Who are the others?

Mr. ROWELL: The others are at Montreal, Toronto and Winnipeg respectively.

Mr. McKENZIE: What is Mr. MacKeen's salary?

Mr. ROWELL: It is $1,200.

Mr. McKENZIE: I certainly thought that Mr. MacKeen was getting a larger salary than that. Mr. MacKeen does not live in my riding, nor is he on my side of politics; nevertheless I say of him that there is not a more efficient officer in Canada. He is a scholarly man, fairly well up in years and cannot give his attention to anything other than the business of the Government, in which he has been engaged for a long time. It is absolutely impossible for him to live in Sydney on a salary of $1,200; he could not rent a respectable house and provide the other necessaries of life for that amount. If the department expects to retain the services of Mr. MacKeen they should give him more than $1,200. It would be much kinder to say to him: "We will not keep you; we will dispense with your service," and thus allow him to do something else, rather than keep him at a salary upon which it is impossible for a man of his position and standing to live in Sydney, where it is just as expensive to live as in Ottawa, Montreal or Toronto.

Mr. ROWELL: All these salaries, of course, are supplemented by a bonus. Mr. MacKeen, I suppose, is a married man?

Mr. McKENZIE: Yes.

Mr. ROWELL: Then he would get in addition to his salary a bonus of $420. The classification of the Department of Health has not yet been completed. Without a doubt the four inspectors whom I have mentioned should receive increases of salary to the extent that I have suggested;

the other salaries will be under review when the commission takes up the application of the classification to these positions.

Mr. McKENZIE: If Mr. MacKeen were getting $1,600 with $400 bonus he would be getting $2,000 a year. Well, that is not a fat salary for a married man who has to keep house in Sydney. No matter how much we are pressing for economy just now along every line it is not right to ask men of Mr. MacKeen's attainments to work for less than $2,000 a year, particularly when they have to live where prices are at top-notch.

Mr. SINCLAIR (Guysborough): What are these officers doing? The present Government kept in office for some years in my county an inspector who really had nothing to do; he had no food to inspect except that contained in the porridge pot in his own kitchen. He received a small salary from the Government just the same.

Mr. ROWELL: That must be the one that has disappeared.

Mr. SINCLAIR (Guysborough): I am pleased to hear that the office has disappeared. I congratulate the minister on taking that step. I stand for economy, and anything like that is so rare on the part of this Administration that I think I ought to speak about it. What about the second part of this item, administration of the Act respecting fertilizers?

Mr. ROWELL: An amendment struck that out. The Commercial Feeding Stuffs Act and the Fertilizers Act are now under the Department of Agriculture.

Mr. McMASTER: My hon. friend has retained supervision over the bees, if I mistake not?

Mr. ROWELL: They are still here.

Mr. DUFF: Do I understand the minister to say that he intends to appoint new officials. If so, how does he intend to appoint them?

Mr. ROWELL: There is no intention of appointing officials where we have not had officials in the past; but as I explained in answer, I think, to the leader of the Opposition, some officials have retired, and we have not so far succeeded in getting persons to fill their places. Appointments will be made by the Civil Service Commission who have been asked to advertise for and secure the additional men needed. We contemplate 25 inspectors for the whole of Canada.

Mr. DUFF: My experience of the Civil Service Commission is that they do not know their business, and the sooner we repeal the Civil Service Act, the better for the country. I should like to know how the minister satisfies himself that the Civil Service Commission can appoint at Halifax or Vancouver a suitable man, say in connection with adulteration of food. My opinion is that the minister or his deputy head can do better in that regard than the Civil Service Commission.

Mr. ROWELL: That is a question of policy which has been decided already; it is the whole question of the patronage system or the Civil Service Commission. I do not think it is profitable to enter into that question to-night, and I do not think it is germane to this issue. From my experience of appointments, I may say that on the whole the Civil Service Commission is doing very well in that regard, and I believe they have made exceedingly good appointments, where they have made them so far, in the Department of Health.

Mr. SINCLAIR (Guysborough): My criticism of the whole of this item is that it looks very much as if the minister were struggling to find something for this new department to do. I never saw such a mixture before—adulteration of food, proprietary or patent medicines, housing, bees, pollution of boundary waters, marine hospitals, quarantine, immigration and medical inspection, research and venereal diseases. These are various things that are collected together in order to make an excuse for a new department which is to be called a Department of Health, presided over by a minister with a salary of $7,000, a deputy with a salary of $5,000, and a large number of officials under them who, to my mind, are not needed at all. It strikes me that the mixture which is to be found in this item is pretty good proof that there was no necessity for building up this big administration, and these things are gathered together as an excuse for spending a great deal of money in a new department. Formerly, the business of this country was done by about fourteen departments. I do not know how many there are now; but I think there is an increase of about 50 per cent in the number of departments, and I hope we are going to find the end of that pretty soon. It is quite proper that there should be some one to look after health matters; but I do not think it was at all necessary that there should be a Department of Health, a very expensive machinery built up for that purpose. This work could

have been done in some other way, perhaps by having a head under some minister as is the case in many other departments, without incurring so much expense as we seem to be incurring here. We are taking small items away from other departments and placing them under this one, in order apparently to build up a new department at an enormous expense to the country.

Proprietary or patent medicines, $10,000.

Mr. DUFF: What is this for?

Mr. ROWELL: This is to make the necessary provision for carrying out the Act passed last session relating to proprietary and patent medicines, and this Act, as my hon. friends will recall, imposed some very important restrictions in connection with the sale of proprietary or patent medicines, particularly as to the character of the drugs that might be contained in them, prohibiting the use of opium and other narcotic drugs in certain preparations. It also provided for the creation of an advisory board to settle certain matters arising under the Act, and the additional amount is to cover both these items. As a matter of fact, under the Act, provision is made for charging a fee for each patent of proprietary medicine registered under the Act, and the proprietor must take out an annual license for its sale. It is considered, in fixing the fee, that sufficient revenue should be derived to pay the cost of administration; that is the basis upon which the Act is being worked out, so that I do not anticipate any more will be spent than the amount actually received from the druggists of the country for the licenses which they must take out.

Mr. MACKENZIE KING: The increase is a very big one, and I do not know that the minister is quite satisfied as to the necessity of such an increase.

Mr. ROWELL: My hon. friend will see that we are putting into force a new Act, new in the character of its requirements from the druggists of the Dominion. It is difficult to say what the exact cost of administration will be. I hope it will not reach $10,000; but we have no other means of getting funds to provide for the administration of the Act than by coming down to Parliament and asking for an appropriation. Therefore, we have inserted in the Estimates a sum which we believe will be amply sufficient. On the other hand, we are making provision to secure, through the license fees charged under the Act, a revenue which we believe will fully offset the expenditure. Let me give simply one item. The members of the Advisory Board, which is being constituted from amongst the foremost physicians and pharmacists of this country, are each paid an annual fee of $500 and their travelling expenses in coming to Ottawa to attend meetings of the board. Under the Act of last session, they have certain very important functions to perform, one of which is to determine the degree of medication necessary in drugs containing alcohol, to prevent their use as an alcoholic stimulant and to make them properly medicines and not liquids sold as a beverage. Under the Act as passed, this board is given final authority to determine that, and it is a matter of pharmaceutical or chemical skill to determine it. That is one very important function they have been asked to perform and they have already been called upon to determine that in the case of a number of patent and proprietary medicines. In addition, there is a whole list of drugs named in the schedule to the Proprietary or Patent Medicines Act the use of which may be deleterious to health and yet the use of which in limited quantities under certain conditions may be beneficial. The board are the final authority to pass upon what quantities of these scheduled drugs may be used in any patent or proprietary medicine. Hon. members will see that they are called upon to perform important duties, and we have chosen the best men in Canada for that position.

An hon. MEMBER: Who are the members of that board?

Mr. ROWELL: The board consists of Dr. A. Blackader; Dr. Chas. F. Heebner, of the College of Pharmacy at Toronto; Dr. R. D. Rudolph; Professor J. E. Lecours; and Dr. A. McGill. Professor Lecours is of Laval University, I think, and Dr. Blackader of McGill.

Mr. DUFF: What about Dr. Rudolph?

Mr. ROWELL: He is of Toronto.

Mr. DUFF: A strange name for Toronto.

Mr. ROWELL: He is a good man notwithstanding the name. We have secured some of the best experts in Canada to deal with these particular problems, and the board as named is, I think, the strongest we can secure.

Mr. MACKENZIE KING: How were they appointed?

Mr. ROWELL: By Order in Council under the Act.

Mr. SINCLAIR (Guysborough): Will this money all be spent at the head office?

Mr. ROWELL: Yes, in so far as it is spent.

Mr. SINCLAIR (Guysborough): It strikes me that this item should appear as salaries instead of "proprietary or patent medicines..'

Mr. ROWELL: It is not for salaries. The salaries of the officers who administer the Act come under Civil Government. These are expenses incidental to the administration of the Act. In addition to the advisory board to the members of which we pay $500 a year, plus travelling expenses, we have the travelling expenses of the officials in the administration of the Act. Stationery also constitutes an important item under this Act. License forms and circulars have to be sent out in large numbers, particularly in bringing into operation a new Act about which there is a certain amount of misunderstanding, and where you must be in constant communication with all the druggists throughout Canada, of whom there are thousands. This item is to cover all expenses of this character.

Mr. DUFF: As the minister is such a great believer in the Civil Service Commission, why did not the commission appoint the Advisory Board?

Mr. ROWELL: Because the Act provided they should be appointed by the Governor in Council.

Mr. DUFF: Then why does the Act go outside the Civil Service Commission?

Mr. ROWELL: I am not responsible for the framing of the Act. It was the Act I was called upon to administer.

Mr. DUFF: In other words, the minister is "passing the buck"?

Mr. McMASTER: Was this Act passed before the minister was joined by the President of the Privy Council?

Mr. ROWELL: No, it was passed last session.

Mr. McMASTER: Has not the minister to share responsibility for the Act with his colleagues?

Mr. ROWELL: Absolutely.

Mr. DUFF: Why not answer my question? Why were they appointed by Order in Council instead of by the Civil Service Commission?

Mr. ROWELL: Because the Act so provides.

Mr. DUFF: That is not a proper answer.

Mr. ROWELL: It is a good one.

Mr. BUREAU: I thought that every appointment within the power of the Government, even to the staff of the House of Commons, was, after the passing of the Civil Service Act, to be made by the Civil Service Commission. I thought the Civil Service Act overrode every provision in every other statute passed before that Act which gave any man or minister power to appoint. That was the intention, as expressed by the members of the Government and all those who defended the Civil Service Act when it was before the House.

Mr. ROWELL: My hon. friend is evidently under a misapprehension. These men are not officials of the Government; they are not members of the Civil Service. They are simply appointed to this board because of their professional skill to settle certain technical matters connected with the administration of thic Act, for which they are paid a fee fixed at $500.

Mr. DUFF: It is a salary.

Mr. ROWELL: No, it is a fee of $500. We decided that was a fair fee for their professional services given as members of this board.

Mr. DUFF: I do not object to the appointment of these men, but I object to some officials being appointed by Order in Council and others by the Civil Service Commission when the Government wants to "pass the buck". My idea is that all officials should be appointed by responsible heads, not by this farce down town in the Hunter Building called the Civil Service Commission.

Housing, salaries and general expenses, expenditure 1919-1920, from Demobilization Appropriation Act, $15,000.

Mr. MACKENZIE KING: What does that mean?

Mr. ROWELL: If the expenditure had come out of the general vote last year instead of out of the demobilization vote, it would have appeared in the second column. The expenditure last year for the administration of the Act was approximately $20,000. No item appears under the heading of 1919-20 because the expenditure last year came out of the demobilization vote.

Mr. MACKENZIE KING: Does this mean that $15,000 was paid out of the demobilization vote last year for "housing—salaries and general expenses?"

Mr. ROWELL: The amount expended last year was approximately $20,000, which came out of the demobilization vote. The Government's housing policy was part of the programme of re-establishment of returned soldiers, and it consisted in making provision for loaning $25,000,000 to the provincial governments to enable them to make advances to municipalities and individuals for the erection of houses. The Government did not charge against the municipalities the cost of administration so far as the Federal Government itself was concerned. It provided that money, and provided it out of the demobilization vote, because the Government believed it related to the re-settlement and re-establishment of our returned men, and therefore fairly came within the scope of the demobilization vote. We could have taken a special vote for it last year, but that was not done.

Mr. MACKENZIE KING: Why does this come under the Department of Health, instead of under Soldiers' Civil Re-Establishment?

Mr. ROWELL: Because housing has a very close relationship to health and was being administered by a committee of the Cabinet, of which I happened to be the chairman. Therefore, when the Department of Health was formed, it was intimated to the House at the time that housing would probably be assigned to that department. Housing comes under the Department of Health in Great Britain. They recognize that good housing bears so close a relationship to the physical and social welfare of the people that it constitutes a proper branch of the Department of Health, and so in Canada, as in these other countries, it comes under this department.

Mr. MACKENZIE KING: Can the minister give us some details of this expenditure? Who are the salaried officials and what is the nature of the general expenses in the administration of this Act?

Mr. ROWELL: The chief officer administering the housing regulations of the Government has been Mr. Adams, the Town Planning Expert of the Commission of Conservation, but he was not paid anything extra for this work. The salary he received from the Conservation Commission, as their Town Planning Adviser, covered his services to us in administering the housing regulations. Mr. Adams had to have assistance in carrying on his work—two expert helpers, an engineer and an architect, and also the necessary office staff. The expenditure referred to covers the salaries of his assistants.

Mr. DUFF: How were they appointed?

Mr. ROWELL: They were all appointed through the Civil Service Commission, or transferred from some other department. I think one was transferred from the Department of the Interior and the others were appointed by the commission.

Mr. SINCLAIR (Guysborough): The explanation given by the minister would seem to show that this money was voted out for the year ending March 31, 1920. We are now voting money for the current year 1920-1921. Do I understand the minister to say that he took the $15,000 out of the demobilization vote of last year?

Mr. ROWELL: What I said was that the expense of administering these regulations last year was paid out of the demobilization vote. We are asking this year for a vote to cover the expenses of carrying out this service.

Mr. SINCLAIR (Guysborough): Where is that mentioned?

Mr. ROWELL: It is only mentioned as an explanation to show where the money came from last year.

Mr. SINCLAIR (Guysborough): That does not refer to housing.

Mr. ROWELL: You have in the estimates one column of figures for 1920-21 and another for 1919-20. There is no item opposite housing in 1919-20. In the absence of an explanation it would appear that it was an entirely new vote. There was an expenditure last year and the note is simply to explain where the money came from.

Mr. SINCLAIR (Guysborough): That is a very indirect way of explaining it. Are there any other expenditures that were taken from the demobilization vote of last year.

Mr. ROWELL: There are all kinds of expenditures, as the statement submitted to the House at the time the demobilization vote was granted would indicate. I have not the figures before me but my hon. friend will recollect that when the demobilization vote was asked by the Prime Minister, or the Finance Minister, he submitted a statement setting out in detail the various departments of the Government or the various classes of services to which the moneys voted might be expected to be applied.

Mr. SINCLAIR (Guysborough): For war purposes?

Mr. ROWELL: For the purpose stated by the Government.

Mr. BUREAU: Anything could be taken out of it?

Mr. ROWELL: No, because the Auditor General would see to it that no payment was taken out of that vote that did not come within the terms of the Act.

Mr. SINCLAIR (Guysborough): I do not think the Government have any right to take this money out of the demobilization vote because this is not for war purposes. I have a very strong suspicion that if we had all the Orders in Council passed by the Government during this last year we would find a number of similar inroads made upon the demobilization vote. The minister ought to furnish us with the information before we go very much farther. It came to my knowledge a few days ago that a news agency had been started in the city of New York that had nothing whatever to do with the demobilization of soldiers or with the war, and yet it is paid for, by Order in Council, out of the demobilization vote. That is a very improper thing to do. Such a direct violation of the statute cannot be justified. If the expense of a news agency started after the war is over in order to provide a job for a needy supporter, is to be taken out of the demobilization vote, see where we will land. If the Government can dip into the demobilization vote for any expenditure which is not authorized by Parliament we have come to a pretty pass in these matters. I think the minister, before he asks us to pass this item, ought to furnish the Committee with all the Orders in Council that have been inroads upon the demobilization vote for various purposes and in the different departments. Without that we will not be able to know where we are in regard to this vote.

The CHAIRMAN: I am sorry I cannot agree with the hon. gentleman who has just spoken (Mr. Sinclair). I do not think the demobilization vote of last year and the appropriation of all the moneys provided for by that vote are relevant to the item under discussion at the present time.

Mr. BUREAU: We are discussing item 63.

Housing—salaries and general expenses, expenditure 1919-1920, from Demobilization Appropriation Act, $15,000.



If I understand aright this year is 1920-21 and this amount is taken from the demobilization appropriation. The position taken by the hon. member for Guysborough (Mr. Sinclair) is absolutely right. Demobilization is a part of the war legislation when this housing scheme came before the House I opposed it and criticised it on the ground, first, that the Government had no right to lend money to richer people than themselves and, second, that if they undertook to give any assistance towards building houses they should do it for soldiers alone and not for the general public. I do not think you can properly charge this expenditure to the demobilization vote. I do not care what the Department of Public Health, the Prime Minister or anybody else says, I maintain this has nothing whatever to do with the war. It is not right that demobilization and the war should be charged with the cost of a policy initiated by the Government in expectation of an election to try and gain popularity in the various provinces more especially as this expenditure was an uncalled for extravagance considering the financial position of the country. The Government loaned money to the provinces without any justification whatever. I do not see how we can camouflage this policy any longer by charging the war, war loans and Victory loans with money the Government desires to spend to create some popularity in the provinces. The position taken by the hon. member for Guysborough I think is absolutely sound, and that we ought to have some further explanation about this expenditure. Money voted for demobilization should not be paid to cover up the extravagance of the Government.

The CHAIRMAN: Explanations concerning this item are in order but not all expenditures under the demobilization vote of last year.

Mr. CAHILL: How many soldiers have availed themselves of the opportunity to build houses under this Act?

Mr. ROWELL: I cannot give my hon. friend the figures as to soldiers, but I can give him the figures as to the number of houses that have been built in each province so far. According to the statement prepared in April last the number of houses built was: Ontario, 1,184; Manitoba, 77; British Columbia, 50; Quebec, 10; New Brunswick, 33. A large number were also under construction at the same time and others were under plan for construction in the present year. There were houses under plan for construction in the present year as follows:

Nova Scotia, 100; Quebec, 130; Ontario, 4,000; Manitoba, 345; British Columbia, 245.

Mr. CAHILL: Why does the minister insist that not only this vote, but other legislatioom that they have passed, is for the benefit of the soldiers? He has made a great play about the soldiers. but he has not given us any information to show that there are any soldiers living in these houses. As a matter of fact if he had the information I think he would find that there are mighty few of them living in these houses that he is talking so much about, and the money for which is taken out of the demobilization fund. I wish the minister would stop talking so much about the benefit that is being worked for the soldier because it really does not amount to anything. The soldiers are getting sick of it; so are the people generally; and so is this Parliament. It is about time the Government got down to business, instead of talking so much about what they are doing for the soldiers when they have absolutely no intention of doing anything. Why make such misstatements to the House? It is a shame to be treating the soldiers in the way this Government is treating them. The soldiers outside are clamouring for assistance, they are clamouring for just legislation, and they are even asking for an election. Then my hon. friend comes here and tells us that he is doing this thing for the soldiers. I am surprised that he is not ashamed of himself.

Mr. ROWELL: My hon. friend makes the mistake of judging others by himself.

Mr. CAHILL: It is the minister who is making misstatements to the soldiers. I have not made any promises to them.

Mr. MACKENZIE KING: May I ask the minister if he has information to show what proportion of these houses have been constructed in rural areas and what proportion in urban areas?

Mr. ROWELL: These have all been constructed in urban areas, or in districts immediately adjacent to urban areas. The regulations do not contemplate the erection of houses on farms for farm labourers, if that is what my hon. friend has in view.

Mr. MACKENZIE KING: What I have in view is this: These Estimates relate to the Health Department, I feel very strongly that the encouragement of buildings in cities, as against the encouragement of buildings in rural areas, is a tendency in the wrong direction, and it is one that the Minister of Health in particular ought to take into consideration. I do not know what the opinion of my hon. friend is—I would like to get it from him— as to whether or not it is in the national interest to encourage the construction of buildings in urban areas as against the construction of buildings in rural areas. All these millions that have been voted have apparently gone to the construction of buildings in urban areas, thus encouraging the population to further congest the crowded centres which I think is detrimental to the health of the people, a fact which should be the primary consideration of this department.

Mr. ROWELL: We were facing a condition and not a theory. The situation we faced was that there was a shortage of houses in urban centres when our soldiers returned to Canada. These regulations were intended to aid in relieving the congestion in the cities due to the large additional demand for houses caused by the return of our soldiers from overseas, and the fact that there had been relatively little house-building done during the war. The regulations were not intended to apply to rural areas. If a shortage of buildings exists in the rural areas it is a matter that the provinces can very well deal with. Under these regulations the buildings must be of a sanitary character, of a certain size, and possess sufficient light and air space, drainage, and all the conditions which make for a good, healthy, comfortable home at the cheapest possible cost.

Mr. MACKENZIE KING: My criticism is that the Government by making these loans applicable exclusively to the urban centres is encouraging a possible tendency which should be well considered. I think we ought to consider very carefully, before we vote additional loans, whether we should encourage this tendency of the movement of the people to the cities at the expense of the country. I notice that in the miscellaneous items, No. 318, there is a loan of $25,000,000 to Provincial Governments to engage in the erection of houses on the terms and conditions set forth in the Order in Council. I presume it is the administration of that amount which is being covered by the item No. 63 we are now considering. Is that correct?

Mr. ROWELL: That is not a new vote. The $25,000,000 is the vote of last year. The Dominion Government granted this sum as a loan to the provinces, in proportion to their population for the purpose I have

mentioned. This year we are simply providing for a re-vote of that portion of it which the provinces were not in a position to avail themselves of last year. Some of them were late in getting their housing plans under way, and did not ask for an advance last year. From others we received exceedingly strong recommendations that a larger sum should be voted this year in view of the growing demand for accommodation in the cities and towns. According to the opinion of some hon. members the Government went too far in voting the $25,000,000 referred to. I think it was a measure designed in the public interest which will ameliorate the existing conditions and help considerably towards the betterment of the housing situation.

Mr. DUFF: As a matter of fact, it is said that a great many of these houses are merely summer cottages built for people who already possess houses in the cities.

Mr. ROWELL: I am not aware that any such houses have been built. If any such dwellings have been constructed it would be contrary to the purpose for which the money was granted and a violation of the terms on which the money was loaned to the province.

Mr. DUFF: There should be a statement by the Government setting forth the conditions under which the money is loaned by the provinces.

Mr. ROWELL: The provinces are the borrowers of the money. They are the ones that must lay down the conditions under which the loans are made. All that we require is that those conditions shall not be contrary to but in conformity with the general regulations which this Government has laid down in order to secure the kind of houses that I have referred to. Beyond that the provinces themselves take the responsibility, and we have not felt it necessary to do other than require reports from them. We have their obligation to repay us and we run no risk except that we loan them the money at 5 per cent—that is our contribution.

Mr. MACKENZIE KING: In fixing the conditions under which the loans are made I think it would be wise to provide that the provinces should see that a certain percentage of the money is spent on cottages or houses in rural areas as well as in urban areas. Does the minister think it wise to permit public funds to be used exclusively for the purpose of erecting dwellings in urban centres?

Mr. ROWELL: I think the provinces are perfectly competent to do that for themselves. I do not think we should undertake it. At the present time there is a large demand for houses in the cities and towns throughout Canada, and the provinces are making these loans for the purpose of meeting an actual condition of serious congestion which exists. If people cannot get homes to live in they are crowded in flats and tenements and we will be duplicating to a limited extent the slum conditions of the Old Country. In so far as we can relieve the situation, it is our duty to do so, and that is the most pressing and urgent need. If the provinces consider it desirable to assist in the construction of dwellings in the country they have a perfect right to do so, using their own money for the purpose.

Mr. MACKENZIE KING: If the minister wants to eliminate the crowding, and possibly the creation of slums, in the cities, he will accept my suggestion. As it is, it seems to me that the Government's policy is going to encourage the building of houses in the cities rather than in the rural areas, and promote the tendency of the population to drift toward the urban centres. While the Government apparently has not any policy on the high cost of living, I think it might very well take this aspect of the question into consideration when making loans from the treasury.

Mr. SINCLAIR (Guysborough): The Act now works against the rural areas because there is no method by which a farmer under this system can borrow money to build a house. In the first place, as I understand it, the Dominion Government lend the money to the Provincial Government, and the latter lends it to the city, and the city in turn lends it to the builder of the house and takes security for the loan. But a farmer living in a country district where there is no machinery to deal with a third party has no chance to get a loan at all. The difficulty is inherent in the system devised by the Government, which is a system to build up the cities at the expense of the country.

Mr. CAHILL: How much money was loaned to each province under the scheme last year?

Mr. ROWELL: The return I have is made up for the fiscal year ending 31st of March last. British Columbia, $750,000; Mani-

toba, $1,580,000; New Brunswick, $1,220,000; Ontario, $8,750,000; Quebec, $60,000. The amounts were advanced as each province submitted its housing plan, had it approved, and requested the advance.

Mr. LEMIEUX: In what urban centres in the province of Quebec has advantage been taken of the Act?

Mr. ROWELL: I have no statement showing that information.

Mr. BUREAU: Have not various demands been made by each province under agreement with the Government?

Mr. ROWELL: The amount which each province is to receive under the agreement with the Government has already been intimated by the Government to the Provincial Governments; it is the percentage which the population of each province bears to the total population of Canada on the basis of the census of 1911. On that basis so soon as a province submits its housing scheme and has it approved, it is entitled to advances just as it requests them. We do not exercise any detailed supervision as to when the advances should be made. The province of Quebec had its scheme approved, but it requested only $60,000 before the close of the last fiscal year.

Mr. ROBB: Did I understand the minister to say that if a province submitted a plan to advance money for the building of houses in rural districts the federal authorities could approve it?

Mr. ROWELL: If the housing plan complied with the general regulations laid down by the Government upon which Parliament voted the money, yes; that is all we require.

Mr. MACKENZIE KING: Has the minister the terms and conditions of the Order in Council of December 3, 1918?

Mr. ROWELL: I have the Order here. It provides:

> That the aggregate amount to be loaned to all provinces shall not exceed $25,000,000, and the amount of loan to any one province shall not exceed the proportion of the said $25,000,000 which the population of the said province bears to the total population of Canada.
>
> That the loans made hereunder may be for a period not exceeding twenty years, with the right to any province to pay off the whole or any part of the principal of the loan at any time during the said term.

I presume that the clause my hon. friend has in mind is the condition upon which advances may be made, which is No. 7:

> Advances may be made as soon as a general scheme of housing shall have been agreed upon between the Government of Canada and the Government of the province applying for a loan hereunder.

Under that Order in Council a set of general regulations was prepared setting out the principles which should be applied in the construction of homes to be aided by this loan. These general regulations were submitted to all the provinces for their consideration and comment, and they were advised that if they did not make any suggestions they would be deemed to have approved the regulations.

Mr. MACKENZIE KING: Where is the general scheme to be found?

Mr. ROWELL: It is all printed.

Mr. MACKENZIE KING: What is that you have in your hand?

Mr. ROWELL: I have here the general regulations covering the Housing project of the Federal Government, printed last session by order of the House, and distributed. Certain suggestions were made by some of the provinces, which if of any importance were given effect to, but they were of minor character in any case. So we had a general scheme agreed upon between the Federal Government and the provincial governments which was embodied in a further Order in Council. Then each province in turn prepared its scheme. It was at liberty to add any provision to these general regulations which it thought necessary in the interest of the province. British Columbia, I think, limited its grants to returned soldiers. I do not recall that any other province did so.

Mr. CAHILL: Would not the loan of $8,750,000 to Ontario be about its quota?

Mr. ROWELL: I think it is probably very near it. If it is its quota, then Ontario cannot have any more. My hon. friend will see that when we come to the re-vote, the proportion of the loan not taken up, it is available only upon the conditions of the original grant, and to the provinces which have not yet taken full advantage of the loan.

Mr. CAHILL: What does the minister mean by the 4,000 houses proposed to be built in Ontario? Where will the money come from for those houses?

Mr. ROWELL: Ontario did what none of the other provinces did,—added of its own provincial funds $2,000,000 to the amount loaned by the Federal Government. The whole of this amount has not so far been advanced by Ontario to the

municipalities. The province has borrowed funds from us for this purpose. Housing plans have been formulated by the different municipalities to put up the houses to which I made reference, and the amount will be advanced by the province to the municipalities as they comply with the provincial regulations. If there is not a sufficient sum available from the federal loan to complete those houses, the province must advance the money itself. The provincial government has passed an Act authorizing the guarantee of the bonds of municipalities for the purpose of erecting additional houses. The movement thus started in Ontario has developed such momentum that although the province cannot get further financial assistance from us, it is co-operating with the municipalities to provide the necessary funds to put up a large number of additional houses.

Mr. CAHILL: Do I understand that half the cost of the 4,000 houses projected for Ontario is paid by Ontario?

Mr. ROWELL: No. Our information from Ontario is that they are putting up a certain amount in connection with the loans to municipalities. We have not stipulated for it; it is no part of our undertaking; it is purely voluntary on their part.

Mr. CAHILL: What I want to get at is where the money is coming from for these 4,000 houses? My hon. friend is taking credit for the results of the expenditure of last year. He says that 1,184 houses were built; how much money was spent?

Mr. ROWELL: If my hon. friend will stop to think he will realize that where you are advancing money to a province and the province is advancing money to a municipality you do not have the houses all completed as of a certain date. Housing schemes are under way; plans are developing; certain houses are completed from month to month; others are in course of construction; in other cases the ground is just being cleared. I gave the number of houses reported to us as completed, together with the number reported as in course of construction and the number being planned. I do not know how many have been paid for. All we know is the amount we have advanced the provinces, and what the provinces have reported to us as having been done.

Mr. CAHILL: What is the average price of the houses built by the provinces under the loan?

Mr. ROWELL: General regulations as framed between the Federal and Provincial Governments provided different prices for different classes of houses. For a detached or semi-detached dwelling, frame, stucco on frame, or brick veneer, the maximum amount to be advanced, inclusive of the capital value of the site and necessary local improvements, was $3,000 if it was a house of four or five rooms inclusive of bathroom and small summer kitchen, and $3,500 if a house of six or seven rooms inclusive of bathroom and summer kitchen. It has been found necessary this year, on urgent representation from the provinces, by reason of the increased cost of building, to raise these figures to $3,500 and $4,000 respectively.

Mr. CAHILL: Taking the average cost of the house as only $3,000, the 4,000 houses projected in Ontario would involve an expenditure of $12,000,000, whereas Ontario has been advanced only $8,000,000. I do not get my hon. friend's point; he seems to be taking credit for something he is not doing. He claims that a great many houses have been built throughout the country, but we learn that the number completed is 1,180—about the number of houses built during the same period in the suburb of a second or third-class city in Canada. Apparently the provinces, outside of Ontario, are not asking for this money. The minister tells us about the wonderful things that are being done in Ontario in the house-building line, but he is making no provision for the furnishing of any more money. Not only the members of the Opposition, but, I am sure, Parliament and certainly the people of Canada are getting tired of the minister's misstatements.

Mr. ROWELL: The hon. member knows that the statement he has made is untrue. I have not misstated any matter to the committee. My hon. friend repeatedly gets up, though, and does make misstatements. He surely should have some respect for the honour of a member of Parliament.

Mr. CAHILL: What misstatement did I make. I ask the minister to mention one misstatement that I made.

The CHAIRMAN: Order. I do not think this is relevant to the item under discussion, and the expression that a member knowingly made an untrue statement is out of order.

Mr. CAHILL: The minister makes it relevant when he states that he is advancing money for 4,000 houses in Ontario when he has already advanced more than the quota

allowed to the province. It is against the rules to say that that is a deliberate misstatement, but for the minister to say that it is not is surely a reflection on his own common sense.

Mr. ROWELL: I could not reflect on my hon. friend's——

Mr. McKENZIE: If the minister had a proper vote for this expenditure last year, and if he applied the money to work and to items which were germane to the purposes of the vote, why does he come back and ask for a vote this year? Moreover, what becomes of it when it is voted? The $15,000 is paid out; is it the intention to pay back something that was borrowed from some other department?

Mr. ROWELL: No, the vote this year is to cover the expense of the administration of the regulations this year. Last year some $12,000,000 was loaned to the provinces under the regulations as administered last year. We have a re-vote this year of approximately $13,000,000, the balance of the $25,000,000, and this vote is to cover the cost of administration this year under the same regulations.

Mr. McKENZIE: I understand that this money was taken out of the demobilization vote, a vote for other purposes, and the minister says that it was quite proper to do that. Well, if the money was voted and has been paid out, is that not the end of it?

Mr. ROWELL: Yes, I regret that I have not made myself clear. My hon. friend will see that this is an item for housing, salaries and general expenses, and that the amount of $15,000 is in the column "1920-21." No expenditure is indicated in the Estimates as having been made for the corresponding item in 1919-20. The words "expenditure 1919-20, from Demobilization Appropriation Act," we put in as an explanation to show where the money came from for the corresponding appropriation of last year. We are not asking to recoup the last appropriation; we are now asking to vote Government expenditures for the year 1920-21. If the hon. member will look at his copy of the Estimates, he will see that the $15,000 itetm is under the 1920-21 appropriation.

Mr. DUFF: We are not here to decide about what money we voted last year and money which the minister, either legally or otherwise, took out of the demobilization Fund. What we are here to do is to vote money for housing, salaries and general expenses.

Mr. ROWELL: That is it.

[Mr. Cahill.]

Mr. DUFF: Why do you not say what you want and what you mean? And why do you not amend item 63 the same as you amended item 61, so that people will understand exactly what you want? It is a simple matter to do this thing in a business like manner. When you say that you want housing, salaries and general expenses, in 1920 from the Demobilization Appropriation Act, you are trying to fool some one. We cannot be fooled; we want the thing done rightly, and I would suggest that the minister amend this item the same as item 61 was amended, so as to make it plain.

The CHAIRMAN: It is not quite in order for the hon. member to say that the minister is trying to fool anybody, and I would ask the hon. member to withdraw that expression. I would also request him to address his remarks to the Chairman.

Mr. DUFF: I always endeavour to address the Chair, and I thought I did address it. If I did not, I apologise and I will in future endeavour to address the Chair properly. Perhaps I might put it in this way, that one of the minister's officials is trying to fool him. One thing is sure and that is that somebody is trying to fool somebody, or the item would never have been inserted in the way in which it appears. It is quite evident that some of the officials in the department know that the minister does not know much about this matter, and they have tried to fool him and they have succeeded in fooling him. They, however, cannot fool us, and before this item passes the minister should change it so that the people will understand what the minister really wants. Then we will vote this $15,000.

Mr. ROWELL: Had it not appeared that my hon. friend does not understand this item, I should have thought it was so clear that anyone could understand it. That wording was inserted so as to explain where the money came from last year; but if hon. members do not wish that information, I have not the slightest objection to striking out the reference to the Demobilization Appropriation Act.

Mr. DUFF: The minister says that this is to give us information regarding something which was done last year. We are dealing with an appropriation for the present year. For myself, I can understand the item all right and the minister has talked about an hour and a half in order to make clear what he means. What I say

is that the minister does not understand this matter, or he would never have allowed his officials to word the item as it is worded, and the minister should see in future that his Estimates are brought before the House in a proper manner.

Mr. ROWELL: I move to amend item 63 by striking out the following words: "expenditure 1919-20 from Demobilization Appropriation Act", so that the item now reads "Housing, salaries and general expenses, $15,000."

Amendment agreed to.

The CHAIRMAN: Shall the item carry?

Mr. McKENZIE: No, we are just beginning the item now. The minister can tell us in two minutes what this appropriation is for. We thought all the time it was for the work of last year.

Mr. ROWELL: I do not think my hon. friend is serious in that statement.

Mr. SINCLAIR (Guysborough): I do not think we should pass this item until we find out how an adjustment is to be made with the province of Ontario. We have been told that the province of Ontario received $8,000,000 last year, and we can fairly assume that the province spent a large part of that $8,000,000. The minister tells us that they have now 4,000 houses in course of construction and also that he has increased the value of a house from $3,000 to, I think, $4,000 or $4,500, and if we put the average at $3,000, as my hon. friend (Mr. Cahill) has suggested, the amount that it will cost to build those 4,000 houses will be $12,000,000. That added to the eight millions is more than the share Ontario ought to get out of the $25,000,000. With a view of protecting the other provinces, I think, before we pass this item, the minister should explain how he expects to pay out of this fund $12,000,000 to meet the expenses for building 4,000 houses in Ontario.

Mr. ROWELL: I have already answered that once or twice, but I shall be glad to answer it again. Ontario does not get one dollar more than her proportionate share of this $25,000,000. Any additional money that is required must be provided by the province itself, and I have sufficient confidence in the Farmer-Labour Government of Ontario to believe that if they have undertaken to provide additional funds to the municipalities, to enable them to complete their housing schemes, they will do so.

Mr. SINCLAIR (Guysborough): Then the minister was incorrect when he told us that the department was providing for the construction of 4,000 houses in Ontario.

Mr. ROWELL: I did not say that the department was providing for the construction of 4,000 houses. My hon. friend asked how many houses had been built and how many were proposed, and I reported to the committee what the provinces reported to us. That is all the information I have. The information I gave to the committee was what the province of Ontario gave in its report to us.

Mr. CAHILL: The committee would not be interested in what the province was doing outside of this appropriation, and this appropriation is the only thing we are interested in now. Is Mr. Adams at the head of this department that is spending this $15,000? And what proportion of his time is devoted to the affairs of the Dominion Government?

Mr. ROWELL: Mr. Adams is not at the head of it, because it comes under the Department of Health, and is under the deputy minister. But Mr. Adams is chief adviser in connection with this scheme, and he is not paid anything by the Government in respect of this work. By arrangement with the Commission of Conservation he gives his time to this work; he is paid by the Commission of Conservation.

Mr. CAHILL: To whom do the officials, the employees or clerks who look after this work report?

Mr. ROWELL: They would report to Mr. Adams, and through Mr. Adams to the deputy minister just the same as such reports would come to the deputy minister in the case of any other branch.

Mr. CAHILL: How much of the time of Mr. Adams, through whom this report must go before it gets to the deputy minister, is devoted to the service of the Dominion Government?

Mr. ROWELL: Last year, I believe, his whole time was devoted to the service of the Government, divided between the Commission of Conservation and the housing work of the Federal Government. This year, I believe he has an arrangement with the Commission of Conservation by which he is entitled to take certain time off, a deduction being made from his salary for the time he takes off, but I am not familiar with the details of that.

Mr. CAHILL: The man who is looking after our interests in this matter might be

in Spokane, Washington, or in Texas while the work is going on and the reports made, and we would have to go down there and make a report through him in order to keep track of this business.

Mr. ROWELL: No difficulty has been experienced in the past.

Mr. CAHILL: The minister just told me that in the past this gentleman was devoting all his time to the affairs of the Dominion of Canada, but that a different arrangement has been in force for some months. Does the minister not think it would be worth while to have in direct charge some man responsible to the deputy minister for the expenditure of this money?

Mr. ROWELL: I said that there were officials under him. In Mr. Adams' absence, Mr. Parry is at the present time the next man in the office who reports to the deputy minister. There is no difficulty in administration.

Pollution of Boundary waters, $5,000.

Mr. SINCLAIR (Guysborough): Is this to pay the salary of an official?

Mr. ROWELL: It is to cover possible expenditure in connection with the work of the International Joint Commission relating to the pollution of boundary waters. Under the Treaty of 1909 creating the International Joint Commission, provision was made forbidding the pollution of boundary waters to the detriment of the health of the inhabitants of the countries affected. Under that Treaty a reference was made to the International Joint Commission by the United States and Canada to investigate the existing condition of the boundary waters, particularly the St. Lawrence, the Great Lakes, and I think one of the rivers of New Brunswick. They made a very extensive investigation and an exhaustive report, which showed a serious condition of pollution in certain sections of these international waters. There is now pending before the International Joint Commission a reference by the Governments of the United States and Canada to recommend what steps should be taken by the respective countries to put an end to this pollution, whether in the form of a new convention or by legislation to be enacted by the two countries. The Department of Health in Canada and the corresponding department in the United States are the advisers of the International Joint Commission in connection with this matter, and this item is to cover possible expenditure during the year in connection with that reference.

Mr. SINCLAIR (Guysborough): At the head office?

Mr. ROWELL: Anywhere the expenses may arise. It would cover travelling expenses, for instance. As a matter of fact the deputy minister and one assistant has already had to meet the International Joint Commission and the American experts. It might be that we shall have to get expert assistance in connection with this reference. This is not a hard-and-fast sum, but it is just to cover possible expenditure. I do not know that we shall require it all.

Mr. SINCLAIR (Guysborough): How much was paid out under this head last year?

Mr. ROWELL. We did not have this item last year. It arose this year because the reference was made to the commission this year.

Marine Hospitals, including grants to institutions assisting sailors, $85,000.

Mr. McKENZIE: I am very much interested in the latter part of this item, that is, the grants to institutions assisting sailors. There is in the Old Country an institution known as the Home and Foreign Seaman's Institute. It is an institute of long standing and officered by some of the very best men and women in the Old Land. It has branches in this country; one in Toronto, I think, another in Montreal, another in Quebec, and we happen to have one in my home town of North Sydney. The Government has been assisting these institutions by small grants. The institution at North Sydney has been receiving for some years a grant from this Government of $100. Thousands of seamen call at our institute every year and we do everything we can for them. I was going to ask the minister if he could not give a little bigger grant to the institution at North Sydney. Some of these institutions get $200, but we only get $100, and I think we should also get $200. Then we should be in the same position as the branch of the Institute at St. John, New Brunswick, which gets $200, I think, or $300. It is a very worthy cause, and the grant of $100 is only a small help. We beg and borrow to keep up the institute, and I really think we should get a little more if the minister thinks it can possibly be done. I would have gone home to-night long ago, but that I wanted to speak to the minister about this item.

Mr. ROWELL: One item I am urged to increase, and another to decrease. You see

how careful and economical I am, keeping all of these expenditures well within the limits. However, I will see whether we can put the institution at North Sydney on the same basis as the others. It will depend on the service being rendered. If the service rendered is equal to the service in the other places, then I think North Sydney should have the same grant. I will look into it and see. I can only speak of it on that basis.

Mr. McKENZIE: This is the first year this vote has come under the Department of Health. The minister will find regular reports made by this institute annually, showing exactly what is being done.

Mr. DUFF: What is the increase for?

Mr. ROWELL: There is an actual decrease this year. The influenza epidemic was very severe last year and it caused an abnormal increase in the expenditure. While there is a decrease as compared with last year there is an increase over the usual hospital charge, due to the increased cost of hospital accommodation.

Mr. SINCLAIR (Guysborough): Has the minister reached any decision on the application from the town of Canso?

Mr. ROWELL: I have not given any decision yet, but at prsent I cannot see my way clear to give an affirmative answer. I have not yet finally disposed of it, but that is the situation up to date. My difficulty lies in establishing a new precedent, which would be quoted in all sections of the country where similar grants would be urged. My hon. friend knows how strongly the shipowners are protesting against the existing tax. If we go on making grants for building hospitals, I am afraid we cannot limit it to the port my hon. friend mentions. However, I have not finally disposed of the matter, but that is the impression I have up to date.

Mr. SINCLAIR (Guysborough): I think the minister could overcome the difficulty he mentions by imposing a similar liability on the town that makes the application. You would not have many applications if the town making the application was required to contribute a similar amount. If we are going to collect this tax from the ships in this country, we ought to assume the duty of providing for the sailors. We are not doing it at the present time. In certain places there is no provision made for taking care of sick sailors. The British system, which has been suggested by my hon. friend (Mr. Stevens), is much better than ours. Under the British system the British Consul in any part of the world assumes the responsibility of taking care of a sick sailor. He sends him to a hospital, and looks after him. If the sailor is not able to join his ship the Consul pays his fare to England or wherever he belongs. The bill comes from the British Consul at that foreign port to the Board of Trade in England, and the Board of Trade transmits it to the Minister of Marine in Canada, who transmits it to the owner of the ship who has to pay it. So the sailor is looked after in every case. Under our system we are collecting large sums of money from the ships, but we are not assuming the responsibility of taking care of the sick sailors. In the town I refer to there is no hospital within many miles to take care of sick sailors. The sailors are put ashore, and for anything the department has to do with them they may die on the shore because there is no place to which they can go. This is a system which should not continue. The department, if they will not do any work at all, should abolish this tax altogather or they should assume responsibility for taking care of the sick. This is trust money that the minister is collecting from the ships. When the minister takes the surplus of this money and puts it into the consolidated revenue fund he is not doing right if the sailors are not looked after. They are not looked after. I could give instances where men have lost their lives because there is no provision made for taking care of them at distant places where no hospitals exist. If we are to continue this system of collecting from the ships on the coast of this country we must assume the responsibility of taking care of the men.

Mr. ROWELL: I am sure my hon. friend does not wish to leave the impression that the department does nothing at all for sick sailors even where there is no hospital. We have a medical doctor at Canso and there is an arrangement for such accommodation as can be had in a private home. I agree that it is not as good as hospital accommodation but the department is doing everything it can to meet the situation there and to provide hospital accommodation.

Mr. McISAAC: What arrangements are made regarding sick sailors in Prince Edward Island? There are three hospitals. Is any arrangement made with them to care for sick sailors?

Mr. ROWELL: There are three medical officers in Prince Edward Island—Dr. Tanton, Summerside; Dr. McLean, Souris; and Dr. Brehaut, Murray Harbour.

M. CHISHOLM: What salaries are paid to these men?

Mr. ROWELL: It is only a limited service that they give. Dr. McLean receives $300, Dr. Tanton $250 and Dr. Brehaut $100.

Mr. McISAAC: Where sailors are treated in hospitals, what are the hospitals with which an arrangement is made?

Mr. ROWELL: They are treated in hospitals but I have not the names of those hospitals here. We have an arrangement with hospitals in Prince Edward Island for the treatment of sailors. I can get the names of the hospitals and the rates paid.

Mr. CHISHOLM: There is one feature of this hospital arrangement that I have been trying to get righted for a long time. If a vessel carries on trade between different ports in the same province the sailors on that vessel do not enjoy the privileges of the sick mariners fund. If a vessel goes across the straits from my own county to Prince Edward Island the sailors enjoy the privileges of the sick marines fund, but if that vessel goes to Halifax and it does not pay to the sick mariners fund the sailors do not get the privileges of the fund.

Mr. ROWELL: I am not aware that the condition which my hon. friend refers to exists. On the Atlantic coast every one who is paying into the fund gets the benefit of it. It has not been considered desirable, apparently, by any Government, so far, to impose the obligation upon fishing vessels to pay sick mariners dues. If they pay them, the sick mariners are entitled to treatment.

Mr. CHISHOLM: I do not mean the fishermen; I mean traders. I know what I state to be a fact because I have had some experience in this line.

Mr. ROWELL: I cannot give the hon. gentleman the information to-night, but I will look it up and let him have it.

Mr. DUFF: What my hon. friend from Inverness (Mr. Chisholm) says is quite correct. Local trading vessels do not come under the benefits of this fund. I know of a vessel in my county, that, before proceeding on a foreign voyage called at North Sydney. During the influenza epidemic several of the sailors became sick but the hospital authorities would not take them in and some men had to be sent to their homes and others kept on the vessel. Some of them died. Vessels proceeding to a foreign port, but calling at a local port, should come under the Act.

Quarantine—salaries and contingencies of organized districts; Public health in other districts; Tracadie and D'Arcy Island Lazerettoes; Public Works Health Act; and expenses for boat for one half year, St. John Quarantine station, $262,500.

Mr. TURGEON: This large amount is to be distributed among many persons and institutions for different purposes including the maintenance of the lazeretto at Tracadie and that at D'Arcy Island. I am not aware of the conditions at D'Arcy Island but I am familiar with and much interested in, the conditions at Tracadie. The sisters in charge of that institution have found a difficulty in carrying on their work during the last three or four years owing to the high cost of living. Their grant has been the same for a number of years notwithstanding the increase in the cost of clothing, foods, and other necessities. They have made application, I believe for an increased subsidy, and it is hoped that such an increased subsidy will be granted them until normal conditions are restored. I understand the minister has sent an official to make an investigation and I know this officer has expressed keen sympathy with the condition under which the sisters are carrying on their work at the lazeretto as well as admiration for the manner in which they are maintaining that institution for the benefit of suffering humanity. He has made a report, I believe, recommending that some extra appropriation be made for this institution during the coming year. Am I to understand that this extra amount is included in the Estimate now under consideration?

Mr. ROWELL: I am glad to be able to tell my hon. friend that an extra amount is included and that the work that is being done is being very efficiently done with an appropriation which is not adequate to the maintenance of the service. So that this vote is to provide for an increase of $1,000 for maintenance,and an increase of $1,000 to the sisters for caring for the patients.

Mr. TURGEON: Let me offer my sincere congratulations to the minister.

Mr. BELAND: Is there any increase in the salaries to the medical officers at the

quarantine station at Grosse Isle, which is one of the most important in Canada?

Mr. ROWELL: I think I mentioned a little earlier—perhaps my hon. friend was not in at the time—that the Civil Service classification has not yet been applied to the Department of Health. I am therefore not able to state what the salaries will be under the new classification, but some I think will have to be raised. Undoubtedly the service is of very great importance at the present time, and will be increasingly important for the next two or three years. The most unfortunate conditions exist in central Europe, and our quarantine and immigration officers will have to exercise extreme care in protecting Canada against the posible consequence of the transmission of some of the terrible diseases that are now ravaging the countries there.

Mr. BELAND: What is the number of the Grosse Isle staff?

Mr. ROWELL: Approximately, forty.

Mr. BELAND: How many medical men are there?

Mr. ROWELL: Three.

Immigration and Medical Inspection, expenditure 1919-1920 under Immigration and Colonization, $50,000, $50,000.

Mr. BELAND: There is an increase of $20,000. Will the minister kindly explain what the increase is for, and at the same time inform the committee whether any inspection takes place on the other side of the ocean before the immigrants board the vessel?

Mr. ROWELL: According to my information the increase is not so great as this item would indicate. It is difficult to say in connection with an item which has been taken out of the Estimates voted in a lump sum in another department. My own impression is that the actual increase is not nearly so substantial as these figures would indicate. There is a real increase, however, and that springs from an augmentation of the salaries of a certain number of the medical officers. It has been imperatively necessary to provide certain increases in order to retain the medical officers in the immigration service; and also to provide for the appointment of additional part-time officers who, it is believed, will be required during the immigration season. If they are not required the money will not be expended for this purpose. The provision is being made, however, in case there should be a substantial number of immigrants come to Canada this year.

Mr. SINCLAIR (Guysborough): When this service is transferred to the Department of Health will there still be medical men employed in the Immigration Department?

Mr. ROWELL: No, but there is a perfect co-operation between the two departments. The Department of Health does all the medical examination; the Department of Immigration has no medical officers at all. We examine and report the physical and mental condition of the immigrants to the immigration officials with whom the decision as to deportation or refusal to land rests.

Mr. ROBB: The objection raised to the item No. 63 would also apply to this item. It might be made plainer if the words, "Expenditure, 1919-20 Immigration and Colonization" were placed in brackets.

Mr. ROWELL: I am quite willing to adopt my hon. friend's suggestion.

Amendment agreed to.

Research—maintenance, replacements, supplies and assistance for a research laboratory, $10,000.

Mr. SINCLAIR (Guysborough): Has this any relation to the work of the Bureau of Research?

Mr. ROWELL: No; it deals with a wholly different subject. This is intended to be the initiation of a research laboratory under the Department of Health, which is one of the things most urgently needed in Canada. At the present time we have no adequate provision for this class of work. Take the situation which at present exists: we had throughout Canada during the past six or eight months what was commonly designated as sleeping sickness, but which was not sleeping sickness. Medical men at present do not know the origin of this disease, its method of propagation or its cure, but we do know that it exists, and we know its fatal consequences. We have had the most careful investigations of these cases made by the most skilled medical men, but we have not got a laboratory to-day under the control of the department in which we can follow up these investigations. I hope that we may have established in this capital city a medical research laboratory which will be a credit to the Dominion of Canada, and will encourage scientific

research in those branches so vital to human progress and human welfare. This vote is merely to make possible the initiation of the work.

Venereal Diseases, $200,000.

Mr. CHISHOLM: We need a little explanation of this item.

Mr. ROWELL: This is to provide for co-operation with the provinces in carrying on a campaign against venereal diseases. We have worked out an arrangement with all the provinces for a united compaign. I may say that one of the best things we have done under the Act providing for the creation of a Department of Health, has been the appointment of the Dominion Council of Health. The Council consists of the chief executive officers of Health of each of the provinces, plus five others representing the various civilian activities in the country, and is presided over by the Deputy Minister of Health as chairman. In consultation with the representatives of the provinces we have worked out an arrangement whereby the provinces undertake to carry out an active compaign against venereal diseases on lines, which have been agreed upon as the result of a consultation of the officers of the department and the chief medical officers of the provinces at the Dominion Council of Health. The provinces agree to put up dollar for dollar in connection with this compaign, and I laid on the table of the House the other day the Order in Council which indicated the distribution of the grant last year. It is on the basis of population, and all the provinces have joined in the agreement which has been made for carrying on this united Compaign. The late Sir William Osler has stated—perhaps in as terse and forcible language as could be expressed—that gonorrhœa is the sterilizer of the race, while syphilis is the killer. These facts in possession of the Department of Health indicate that this campaign is needed in Canada as similar campaigns are needed elsewhere.

Mr. BELAND: Have all the provinces availed themselves of the amount that would come to them out of the vote last year?

Mr. ROWELL: All of the provinces have availed themselves of it with the exception of the province of Prince Edward Island. Under the agreement only half the amount is advanced on the commencement of the work. Not until six months have expired and the provinces give evidence that they are carrying on the campaign will they be entitled to the second advance.

Loan of $25,000,000 to Provincial Governments, etc., (re-vote), $13,310,000.

Mr. BELAND: So far as I am concerned I have no objection to this item, but I understood the minister to make a proposal a few minutes ago that his vote of $25,000,000 should now carry because it had been discussed by the committee and some one on this side of the House raised objection.

Mr. ROWELL: The objection was in the form of a suggestion that we should finish the Department of Health Estimates first.

Mr. ROBB: It is not the policy to exceed this $25,000,000?

The CHAIRMAN: The item is a re-vote of $13,310,000.

Mr. ROWELL: No. The $25,000,000 was voted last year, but the full amount has not been advanced. If we did not re-vote the balance it would permit the provinves which took advantage last year to get the full benefit and the others would get nothing more.

Mr. SINCLAIR (Guysborough): Will the money not taken up by any province be advanced to the other provinces?

Mr. ROWELL: Each province is entitled to its share and no more.

Mr. BELAND: I understand that one or two provinces have refused to take advantage of this loan?

Mr. ROWELL: Alberta is the only one which so far has not taken advantage of it.

Mr. CANNON: Is the money simply given to the province and distributed as the province sees fit, or have the municipalities anything to do with the scheme?

Mr. ROWELL: It is entirely in the hands of the Provincial Governments to say whether they will loan it to municipalities, housing companies, or private individuals. We do not exercise any control over the maner in which the loan is dealt with, provided the province exacts certain conditions to insure that the houses will comply with the Federal Housing Regulations.

Mr. McISAAC: Where a province does not avail itself of its assignment, does that inure to the advantage of the other provinces?

Mr. ROWELL: The grant would lapse, it would not go to the credit of any other province.

To provide for an increase in the salary of the Director-General of Public Health, from the 1st of April, 1919, $1,000.

Mr. ROBB: Before this item is considered I would suggest that, inasmuch as item 61, Adulteration of Food, was amended during my temporary absence and does not now apply to the Acts respecting feeding stuffs and fertilizers, the minister might very properly reduce the amount of that item.

Mr. ROWELL: I would be very glad if I could accommodate my hon. friend, but almost all of the expenditure has been under the Adulteration of Food Acts. Inspectors have been appointed under those Acts, and in addition to their duties they have assisted in the enforcement of the provisions of the Commercial Feeding Stuffs Act and the Act respecting fertilizers. That is the reason that the administration of those Acts was transferred to the Department of Health. They are now transferred to the Department of Agriculture on the understanding that that department has the staff to enforce them without adding to the public expense. It does not reduce the number of employees required in this department. These employees, however, will have important additional duties this year in connection with the enforcement of the Proprietary and Patent Medicines Act and the Opium and Narcotic Drugs Act.

Mr. BELAND: Does the item we have now reached provide for an increase in salary?

Mr. ROWELL: Last year, as hon. membes will recall, all deputy ministers and all other officials who held the rank of deputy minister had their salaries increased from $5,000 to $6,000, with the exception of the Director General of Medical Services. He has served the country for some 54 years and is retiring very shortly. We thought it but right—

Mr. BELAND: Dr. Montizambert?

Mr. ROWELL: Yes. We thought it but right that he should be put on the same basis as all other public servants who held the same position last year.

Progress reported.

On motion of Right Hon. Mr. Doherty the House adjourned at 12.40 a.m. (Tuesday).

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## Tuesday, June 15, 1920.

The House met at Two o'clock.

### MEMORIAL TO THE LATE COLONEL BAKER, M.P.

Hon Sir SAM HUGHES moved that the recommendations contained in the report of the Special Committee appointed to confer and act with a like committee of the Senate to determine the form of a memorial to be erected in the Parliament Buildings to the memory of the late Lieutenant-Colonel Baker, M.P., be commended to the consideration of the Government.

Motion agreed to.

### SENATE BILLS—FIRST READING.

Bill No. 169, for the relief of George Emerson Fox.—Mr. Ross.

Bill No. 179, respecting the Colonial Investment and Loan Company.—Mr. Mowat.

Bill No. 180, respecting Dominion Trust Company.—Mr. McQuarrie.

Bill No. 181, to incorporate The Great West Bank of Canada.—Mr. Cowan.

### RACE TRACK LEGISLATION.

ALLEGED STATEMENT BY REV. DR. SPEER. TELEGRAM FROM HIS HONOUR THE SPEAKER AND DR. SPEER'S REPLY.

Mr. SPEAKER: The House will recall that at the last sitting a newspaper report was brought to its attention by the right hon. the Prime Minister, in consequence of which I despatched the following telegram yesterday afternoon:

June, 14th, 1920.

Rev. Dr. SPEER,
Toronto, Ont.

You are reported in a despatch from Toronto to which appears in the Ottawa Citizen, newspaper of this date as follows:

'Rev. Dr. Speer stated that letters were of no avail in this case, but money in the lobby. We hadn't the money. I hope the department did something. It was a foregone conclusion that these men of the race track would get what they wanted.'

Kindly inform me whether you made such a statement or one similar in character. If report incorrect I deem it my duty to request you to inform me what you did say concerning this subject. Matter brought to my formal attention in the House to-day by the Prime Minister supported by the leader of the Opposition. An immediate reply is therefore essential.

Edgar N. Rhodes.
Speaker of the House of Commons.

To which I have this morning received the following telegram in reply:

TORONTO, ONT., June 14, 1920.

The Speaker of the House,
Ottawa, Ont.

Sir.—In replying to your telegram to-day re reported statement of mine at the Methodist Conference re race track legislation, I beg to state that, that I had no intention of casting any reflection on any member of the Ottawa Parliament as to his integrity or honour. My statement was that the church had no money to send deputations to watch legislation and lobby for our side—

Mr. BUREAU: Adding insult to injury.

Mr. SPEAKER (Reading):

—The race track men of course had the money. My thought was not that money was used in the sense of bribery, but in keeping men there. We were berated by one speaker because we did not send letters. The words "foregone conclusion" referred to the fact that after the war was over this matter of racing would come back. I did not leave the impression on the Conference that I thought it a foregone conclusion that the Government would stand in with the race track people. I greatly regret that a false impression was left by the half dozen sentences which I uttered on this question. I shall be glad Sir, if you will make the substance of this telegram clear to the members of the House.

J. C. SPEER.

I have only this to say, that I think it is in the highest degree unfortunate that such loose language should be indulged in by persons holding responsible positions, and that the press should be so careless in the matter of making reports as to enable language, capable of the interpretation which could be placed upon the despatch of yesterday, to go broadcast throughout the country.

Mr. BUREAU: Does the House accept this as an apology from Dr. Speer, and is the matter closed? I think his explanation makes it worse.

Mr. SPEAKER: It is entirely a question for the House.

Mr. BUREAU: I think the best policy would have been to have ignored the whole matter. This man now states "I said what I am reported to have said but I do not mean it." He must take us for a lot of children. I cannot regard his action as otherwise than extremely foolish.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): I should say, in view of the explanation made by Dr. Speer, that the incident may be regarded as closed.

[Mr. Speaker.]

## MEN RELEASED ON HABEAS CORPUS RE-ARRESTED.

### THE CASE OF THE LABRIE BROTHERS.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX (Maisonneuve): Mr. Speaker, the other day I brought to the attention of the Minister of Justice the fact that two brothers named Labrie, who have been sentenced to twenty-five years in the penitentiary had been released on Habeas Corpus proceedings and then re-arrested. I noticed in last night's Montreal paper that Mr. Justice Duclos, who presided over the Habeas Corpus proceedings, has ordered the imprisonment of the Warden of the St. Vincent de Paul Penitentiary for failure to produce the Labrie brothers in court.

Mr. BUREAU: For contempt of court.

Mr. LEMIEUX:—and he makes certain comments on the action taken by the officers of the Crown. So that I may not be ruled out of order, Mr. Speaker, I should explain that this is a case of Habeas Corpus proceedings, where the liberty of the subject is involved. The remarks of Mr. Justice Duclos are as follows:

I am informed, that in disobeying the order of the court, the warden of the penitentiary is acting under orders of some authority, and I will say without hesitation that it is high time that these authorities be shown that instead of hindering the process of justice they should do their utmost to facilitate it. I do not know who issued this order to disobey the order of the Superior Court, but whether it is the Minister of Justice of Canada or the Attorney General of this province, I say that they are giving a terrible example and one which can only do great harm to the respect and reputation tribunals are entitled to.

I know what the right hon. Minister of Justice will say in regard to the proceedings themselves—he has given his opinion based on the report of the Deputy Minister of Justice—but what is most serious in my judgment is that not only are the poor Labrie brothers arrested, but that the warden of St. Vincent de Paul penitentiary has been sentenced to one year's imprisonment. I would like to know what my right hon. friend has to say in the matter. Before long he may be arrested himself for all I know, and I would be very sorry if that should happen.

Rt. Hon. C. J. DOHERTY (Minister of Justice): I appreciate the sympathy in anticipation which my hon. friend extends to me. However, the subject is serious.

Mr. BUREAU: Absolutely.

Mr. DOHERTY: It is very regrettable that in connection with this incident there should be in any quarter an endeavour to make it appear that there is any conflict between the judicial authority and the executive authority, whether of the province of Quebec or of the Dominion. There is no conflict whatever between either the Department of Justice or the Department of the Attorney General of the province of Quebec and any court in that province. There is a conflict between two courts, one a court of undoubted criminal jurisdiction which has ordered the warden of the Kingston penitentiary——

Mr. EDWARDS: Kingston?

Mr. DOHERTY: Pardon me, I refer to the warden of the St. Vincent de Paul penitentiary——

Mr. EDWARDS: Poor old Kingston!

Mr. DOHERTY: A court of undoubted criminal jurisdiction has ordered the warden of the St. Vincent de Paul penitentiary to take and hold for twenty-five years one of the Labries and the other, I think for life. Then there is an order from a judge of the Superior Court—I am not sure whether of a judge in chambers or of a judge sitting in court, but it is immaterial.

Mr. BUREAU: It is an order of the court.

Mr. DOHERTY: All right. It is absolutely immaterial. It is an order of the Superior Court; take it that way. The other order is of the Court of King's Bench. The order of the Superior Court purports to issue under a statute which provides that its provisions shall not have application when men are held detained under conviction of a properly constituted criminal tribunal.

Now, before it is suggested that there is anything in the nature of contempt in the action of the warden or of any one who advised him, might I call attention to his position? He is between the two courts with their diametrically contradictory orders. How much more wicked is it for him to disobey the order of the Superior Court than it would be for him to disobey the order of the Court of King's Bench? He is advised that the court which has jurisdiction in the matter is the criminal court that sentenced these men, and he is advised that the court which purported to make this order of habeas corpus is without jurisdiction.

Mr. TRAHAN: Who advised him?

Mr. DOHERTY: I personally take my full share of responsibility for that advice. But as the hon. gentleman is curious about it——

Some hon. MEMBERS: No, no.

Mr. DOHERTY:—I might quote what may be described as the advice of the Supreme Court of Canada on precisely the same subject. I am not going to argue the case, but I want to read this extract because it shows exactly what the position is. This is the opinion of Chief Justice Ritchie of the Supreme Court of Canada in rendering the judgment of that court in the case of re Sproule, which will be found in 12 Supreme Court Reports. After citing a number of authorities, he said:

The general rule is well established that a person imprisoned under the sentence of a court having general jurisdiction of the case is not to be discharged by habeas corpus, but should be left to his remedy by appeal, exceptions, or writ of error.

These authorities are, to my mind, conclusive that if the prisoner has any just cause of complaint against the proceedings in this case his remedy, if any exists, cannot be obtained through the instrumentality of a writ of habeas corpus, for I have no hesitation in saying that a judgment of conviction and sentence of the court of oyer and terminer and general gaol delivery of British Columbia—

I presume the hon. gentleman would not suggest that the judgment of a like court in the province of Quebec is not entitled to the same respect.

—on an indictment for murder, confirmed on error by the Supreme Court of British Columbia—

The case had been appealed and was confirmed, but the principle is exactly the same.

—and standing unreversed by the Privy Council is conclusive as to the prisoner being a convicted felon.

That was a case of murder; this is a case of manslaughter.

Such a decision as this on which we are called to pass—

The decision with which we are concerned is precisely the same in principle as the decision there referred to, but the latter was rendered by a judge of the Supreme Court of Canada.

Such a decision as this on which we are called to pass raises a conflict of authority—

That is the source of any conflict of authority in this case.

—between the established Superior Courts of the country and individual judges of a most

extraordinary character; places the officer in whose custody the prisoner is,—

And this is what I was endeavouring to point out.

—in this most anomalous and trying position, compelling him to elect to hold the prisoner under the judgment and sentence of a court of unquestionably competent criminal jurisdiction, confirmed by the unanimous decision of the full bench of the Supreme Court of the province having unrestricted jurisdiction in criminal cases, or to discharge him under the order of a single judge at chambers, it may be even of a single judge of the very court that unanimously affirmed his judgment and sentence, or a single judge of this court in direct opposition to, and defiance of, such a conviction and sentence.

Now, the warden attended with the writ actually endorsed in the identical terms which the Supreme Court in the case I have been citing determined to be a proper and sufficient return. Unfortunately the summons being for half past ten, counsel got into the wrong room in the court house, and before the error was discovered the court had proceeded, with no return before it, to order the release of the prisoner. Fortunately, however, there was not an absolute order, as I am informed, for the imprisonment of the warden. That order, as I am told, was issued in the form of a rule nisi so that the warden will have opportunity next Monday to show cause why he should not be subject to the imprisonment referred to. I have thought it proper, and have been glad of the opportunity to make this statement because certainly it would be most regrettable if there should be any feeling on the part of any of the authorities concerned that there is any desire to do other than ensure a proper respect for the courts. We owe respect to, and I have the most profound respect for, the Superior Court of my province. I am prepared to go further and to say that, speaking of the individual judge, I have the most profound respect for him and entertain a very high opinion both of his abilities and of his character. But my respect extends to all the courts; it goes out just as wholly to the Court of King's Bench, the court charged with the administration of criminal justice, as it does to the Superior Court. Now, if all who are interested will just possess their souls in patience, I undertake to say that pursuant to our very sincere desire—that is the desire, too, of the provincial authorities—we shall endeavour to find a method by which this question can be judicially and finally decided by the courts. In the meantime we cannot but feel—and it is a feeling common to the provincial authorities and to ourselves—that it is our duty not to allow a judgment of the Court of King's Bench to be set aside in the way in which it has been and remain unexecuted without, at all events, having exhausted the means which the law affords for having the matter finally and properly determined.



Sir SAM HUGHES: What was the nature of the crime for which these men were sentenced?

Mr. DOHERTY: The particular circumstances of the case have not come before us in any way in connection with this particular proceeding, but the men are held in the penitentiary on conviction of manslaughter.

Mr. CASGRAIN: Will the same course be followed against another man by the name of Mantezono, who is in a similar position in the county of Charlevoix, was released on writ of habeas corpus by the same judge, and is still free?

Mr. DOHERTY: If that case is brought to my attention and to the attention of the provincial authorities, proper consideration will no doubt be given—

Mr. GAUTHIER: They will have him arrested.

Mr. DOHERTY: —to the circumstances of that case.

Mr. BUREAU: Just one remark, Mr. Speaker. Does the minister not think that in the interests of justice it would be better to let the courts decide these matters; that if no remedy at present exists it would be better to pass legislation to afford the remedy rather than have the Minister of Justice substitute himself for the higher courts of the country? That is what I object to.

Mr. SPEAKER: Order. The hon. member (Mr. Bureau) is really submitting his opinion in the form of a question, which is not in order. I think that the Minister of Justice has submitted a very full and complete answer to the question put, and I respectfully suggest that any further reference to this matter may more properly be made at another stage of the proceedings.

Mr. DOHERTY: May I be allowed to protest against the suggestion that I have done anything such as the hon. member (Mr. Bureau) has suggested?

Mr. LEMIEUX: Your Honour will admit that this is a very serious question, involving the liberty of a subject, and one would think that it is of such urgent importance as to merit its discussion now.

Mr. SPEAKER: The matter is undoubtedly of importance and for that reason no interposition was made in connection with the very full reply given by the Minister of Justice. But it would hardly be desirable, on the calling of the Orders of the Day, when no subject is definitely before the House, to have what is in effect a debate on this question.

## CANADA WHEAT BOARD.

On the Orders of the Day:

Mr. A. B. McCOIG (Kent): I have received a number of telegrams from farmers' clubs protesting against the re-appointment of the Canada Wheat Board. Have the Government considered this matter, and if so what action do they intend to take?

Sir ROBERT BORDEN: I can only say that any necessary announcement will be made in due course.

## LACHINE CANAL WORKS.

On the Orders of the Day.

Mr. J. A. LEDUC (Westmount-St. Henry): Mr. Speaker, before the Orders of the Day are called, I wish to inquire of the Minister of Public Works whether it is the intention of his department to continue the works already started in the Lachine canal in connection with a syphon to conduct the water from the little rivière St. Pierre. Does the minister intend to proceed with that work this summer?

Mr. SPEAKER: Order. This question ought to be submitted either upon the Order Paper or when the Estimates of the Department in question are under consideration. The matter may be one of importance, perhaps of urgency to the people immediately affected, but it is not a matter of wide public import.

## SPECIAL WAR REVENUE ACT, 1915, AMENDMENT.

### EXCISE TAX RESOLUTIONS CONSIDERED IN COMMITTEE OF WAYS AND MEANS.

On motion of Sir Henry Drayton (Minister of Finance) the House went into Committee of Ways and Means (from June 11) to consider the proposed resolution precedent to the amendment of the Special War Revenue Act, 1915, Mr. Boivin in the Chair.

The CHAIRMAN: When the House was last in committee on this resolution it had been discussed during two sittings. A motion had been made and carried to the effect that the resolutions be now considered paragraph by paragraph and item by item.



Resolved, That it is expedient to amend The Special War Revenue Act, 1915, and to provide:—

1. That the following excise taxes be imposed, levied and collected on the total purchase price of the articles hereinafter specified, and on articles of clothing the said tax may be imposed upon the combined selling price of materials and cost of manufacture when sold separately:—

Mr. McKENZIE: I understand, Sir, that you are now reading the resolutions as amended.

The CHAIRMAN: No, the original resolutions. No amendments have yet been moved.

Sir HENRY DRAYTON: In pursuance of the understanding, notice of which has already been given, it becomes necessary now to move amendments to the resolutions as brought down. Before doing so, I desire to point out first that if hon. members will look at the list, they will find that paragraph (a) of the first resolution mentions boots, men's clothing, men's overcoats, cloth overcoats, waistcoats, women's dresses, women's suits. All articles of clothing, either boots or clothes, are contained in the list. Then, if hon. gentlemen will look at paragraph (b), they will find an item of carpets, the provision there being that carpets in excess of $3 per yard are subject to the tax provided in the paragraph. The suggestions embodied in Hansard provide for the removal of those articles from the provisions which impose a direct tax on the whole of the amount, when the amount is in excess of the sum stated, into a clause where they will be taxed only on the amount in excess of the amount stated. Therefore, I move:

That the following words be struck out of paragraphs (a) and (b) of section 1:

And on articles of clothing the said tax may be imposed upon the combined selling price of materials and cost of manufacture when sold separately:—

Boots, shoes, pumps and slippers of any material (not including shoes or appliances made to order for persons having a crippled or deformed foot or ankle) in excess of $9 per pair;

Clothing consisting of coat, vest and pants or coat and pants, men's and boy's, in excess of $45;

Cloth overcoats, men's and boy's, women's and misses', in excess of $50 each;

Waistcoats, men's, sold separately from suits, in excess of $5 each;

Dresses, women's and misses', in excess of $45 each;

Suits, women's and misses', in excess of $60 each;

Carpets in excess of $3 per yard;

Knitted sweaters and knitted sweater coats in excess of $15; and the following paragraphs (d) be inserted after paragraph (c):

(d) That the following excise taxes be imposed, levied and collected on so much of the amount paid for any of the following articles as is in excess of the price hereinafter specified as to each such article:

Hon. gentlemen will see that we are taxing now merely the excess in so far as these particular items are concerned, carrying out the proposition made when the matter was last under consideration:

A tax of 10 per cent on:
Carpets and rugs in excess of $6 per linear yard of 27 inches in width;
A tax of 15 per cent on,—
Boots, shoes, pumps and slippers of any material (not including shoes or appliances made to order for persons having a crippled or deformed foot or ankle, or to top boots not less than twelve inches in height such as are used in lumbering, mining and fishing industries, or to river driving boots fitted with caulks on soles thereof) in excess of $9 per pair;
Clothing consisting of coat, vest and pants, or coat and pants, men's and boy's, in excess of $45.

Mr. BUREAU: That is the same thing.

Sir HENRY DRAYTON: Yes, it is merely transferring it from the straight 10 per cent tax on the whole, to 15 per cent on the excess, a much lower tax.

Trousers, sold separately from suits in excess of $12 per pair;
Coats, men's and boy's, sold separtely from suits, (not including leather coats lined with sheepskin) in excess of $25 each;
Cloth overcoats, men's, boy's, women's and misses', in excess of $50 each;
Waistcoats, men's, sold separately from suits, in excess of $45 each;
Dresses, women's and misses', except silk, in excess of $45 each;
Skirts, separate from dresses, except silk, in excess of $15 each;
Suits, women's and misses', except silk, in excess of $60 each;
Coats, women's and misses', sold separately from suits, except silk, in excess of $35 each;
On articles of clothing, the selling price of materials and cost of manufacture when sold separately are to be combined when determining the selling price.

Mr. McMASTER: Has the minister any printed copies of what he is reading?

Sir HENRY DRAYTON: The hon. member will find it all at page 3446 of Hansard with one exception, to which I want to draw hon. members attention. The item, "knitted sweaters and knitted sweater coats," is something that is covered by the new resolution, and action so far as that is concerned will have to wait until the new resolutions are considered. That is the only matter which the hon. member will find is not mentioned specifically in Hansard.

[Sir Henry Drayton.]

Mr. EULER: Has the minister not included hats amongst these articles on which the tax shall be collected only upon the excess price?

Sir HENRY DRAYTON: No.

Mr. EULER: I would suggest that hats should be included, because a hat is as much a necessary article of clothing as any other article of clothing could be. I do not see why a distinction is made.

Sir HENRY DRAYTON: The range of varieties is very great in hats, and one can be so economical or so frightfully extravagant in hats—

Mr. EULER: So you can be in clothing.

Sir HENRY DRAYTON: —that it was felt that the tax on an extravagant hat should be on the whole price. While it is quite true you can be extravagant in clothing, at the same time the amount is much greater and, therefore, the penalty for extravagance is really greater than in the case of hats. This is digressing for a minute, but it may save time later on. We have been going very carefully into the cost of hat manufacture. We find that while the price of raw furs nas dropped very largely, decreases in price ranging to 60 per cent in raw skins, the prepared fur which is necessary for the manufacture of felt hats, instead of going down, has increased in price very much for the reason that the product is largely obtained from Belgium and France and the supply on hand is very limited. I speak subject to correction, but I think I am approximately correct when I say that the quantity which before could be bought for something like $2.50, to-day costs something like $10.50. When we come to that particular item I am going to propose to raise the price up to which hats will be exempt from $5 to $7.

Mr. BUREAU: The price will be raised?

Sir HENRY DRAYTON: Yes.

Mr. LOGGIE: I should like to know why the minister is making an exception of silk dresses, silk skirts, and silk goods generally for ladies. If you limit the price I cannot conceive why it is necessary to except a garment made of silk as against a garment made of fine wool, which will cost very nearly the same. You will often get a garment the weft of the material of which is cotton or wool and the warp silk.

Mr. BUREAU: Silk is a frill; wool is a necessity.

Mr. LOGGIE: I do not agree. I think a silk garment costing the same as a wool garment is just as much a necessity for a lady. When you are limiting the price, I cannot conceive why it is necessary to except silk garments as against woollen.

Mr. DUFF: What about silk stockings?

Mr. ARCHAMBAULT: And silk petticoats?

Mr. LOGGIE: Silk stockings will come up under another clause and I shall hav a word to say about them then. I think the point I have raised is worthy of the minister's consideration.

Mr. PROULX: I endorse what my hon. friend (Mr. Loggie) has said. To except silk garments is discriminating against the merchants who manufacture and sell silk. I think the limit should be the same in both cases. I do not see why a woman should not be just as much at liberty to buy a silk garment as a woollen one.

Mr. PEDLOW: I fear this section has not been thoroughly considered. It is undoubtedly inconsistent that silk material by the yard should be taxed but that manufactured silk garments should be free, whereas woollen materials when purchased by the yard are free and the manufactured woollen garment is taxed. I should like the minister to explain that.

Sir HENRY DRAYTON: I quite agree with the hon. member (Mr. Pedlow) that we have to be consistent, and that is just why the tax is as it is. We are taxing raw silks when purchased by the yard. The idea of that tax is that silk is to some extent a luxury. It is a very nice thing and we all like to see it worn in the becoming way it is worn by the ladies, but still it is a luxury, and we think that people who can afford to buy silk might well be asked to pay a tax on it. You can buy silk cheaper than you can buy some essentials. The test of extravagance is not altogether the price that is paid for an article. In a climate like ours silk of itself cannot be looked upon as a necessity. In hot weather cottons are cheaper, and in our cold weather silk is hardly the thing. In answer to the specific point raised by my hon. friend I desire to point out that we have a tax of 10 per cent on raw silk. Then all articles of clothing are subject to a tax above a certain price. The silk manufactured garment is subject to a tax. The effect of this provision is not to exempt silk dresses but to have a tax on all silk dresses without the limitation; while woollen dresses and articles that are of a more useful character are exempt up to a certain price.

Mr. PEDLOW: Does the minister think that the trade generally would understand that? As it reads now it says "Except silk dresses." Is it the intention of the minister to frame a new paragraph covering silk dresses?

Sir HENRY DRAYTON: The proposal is that all silk clothing, including artificial goods not specifically mentioned, shall be subject to the tax.

Mr. CALDWELL: I should like to direct the attention of the minister to that section of the list which deals with top boots. It is proposed to extend the exemptions to top boots not less than 12 inches in height, such as are used in lumbering, mining, river driving, etc. I would point out to the minister that there are very few driving-boots that are as high as 12 inches, and the number of those that are higher than 11 inches is very limited. The majority of these boots are as a matter of fact only 8 inches in height, and this applies to boots used by lumbermen, fishermen and miners. Very few river drivers, I may also inform the minister, buy boots or shoes with the caulks in for the reason that a man cannot put on a pair of new shoes and go into a stream immediately. He has to wear them for two or possibly three weeks before driving in order to have them properly conform to the shape of his feet. I would suggest to the minister that he amend this provision and make it 8 inches instead of 12 inches.

Sir HENRY DRAYTON: If river-driving boots are not fitted with caulks they are ordinary lumberman's boots, which are protected. The only boots that are used for occupational purposes are lumbermen's, miners', and fishermen's boots, and I am informed that all these boots are at least 12 inches in height. The clause says "top boots not less than 12 inches in height," but I am prepared to change that to 10 inches if the committee so desire. If we go lower than that, however, we shall run the risk of throwing the whole list open.

Mr. PEDLOW: The divisional list is not an altogether wise one, and in this respect I do not think the minister has been properly advised as to the prices of the various parts of a suit of clothes. I have a list prepared by one of the foremost manufacturers in the country, and the prices of the different gar-

3 p.m.

ments that constitute the suit, make a total of $45, comprised as follows: coat $31.50, trousers $10.50, and vest $7.50. This is the division which this manufacturer has prepared and which I think is a scientific one, and I would suggest to the minister that he adopt these figures. Another point which I would direct to his attention is the fact that the excess price named for an overcoat, man's or woman's, $60, and the price for a suit, $45, are inadvisable. I submit that if there is any difference in the prices of these two items it should be in favour of the suit. It requires a greater number of yards to make a suit of clothes than an overcoat and it costs more to make it, and the difference should be in favour of the suit of clothes rather than the overcoat. This applies to ladies' suits and coats as well. It takes more cloth to make the suit and consequently these figures should be reversed.

Sir HENRY DRAYTON: Dealing with the first point, as I took down the hon. member's figures, I think his total is wrong. The figures he gave total $49.50. He gave $10.50 for trousers, $31.50 for coat and $7.50 for vest, so that his figures come to $4.50 more than they should. Of course, I know that figures like these are sometimes the result of scientific calculation. Now, we have not tried to arrange this matter scientifically, because we are aiming at a specific object, and that is to make it unprofitable for people to try to cheat the country of revenue. It is much better that they should not buy clothing separately; they should get a suit of clothes from one man and not buy the trousers at one store and the coat and vest at other places in order to evade the tax. As a matter of fact, the proportional prices we put in are really less than $45, and the division will make it extremely unlikely that any one will endeavour to escape paying the tax by going around and buying clothes piecemeal.

Mr. CALDWELL: May I revert to the question I raised a moment ago? This paragraph reads:

> Besides changing the tax on boots so that it applies only on the excess, it is also proposed to extend the exemptions to top boots not less than 12 inches in height.

I do not think that the situation is perfectly clear, and I think that the paragraph should be so constructed as to show beyond any doubt that these top boots for lumbering, mining and fishing industries are totally exempt.

[Mr. Pedlow.]

Sir HENRY DRAYTON: The hon. member will see that there are two questions involved so far as boots are concerned: first, the question of the limit at which exemption shall be fixed, and secondly, the question of the applicability of the tax at all. We do not tax those boots that are used in the occupations to the cost of carrying on which we do not wish to add.

Mr. CALDWELL: I think it would be just as well to make it perfectly clear that there is total exemption so far as these particular boots are concerned. Ordinary people reading the instructions contained in this paragraph are very apt to misunderstand, and I know for a fact that many items in the resolutions brought down on the 18th of May were not fully understood by many. I find that a good many of our local storekeepers misunderstood some of the items in those resolutions, and they could not be blamed for doing so because the subject was not as lucidly stated as perhaps it might have been. I find a good many of our local storekeepers have misunderstood the instructions, so I think it would be very easy to misunderstand what is meant in this case.

Sir HENRY DRAYTON: It would seem to be so clear that there is no room at all for misunderstanding. However, instructions will be given and a proper list of taxable articles will be drawn up.

The CHAIRMAN: Before we proceed further with this resolution I must remind the committee that a motion has been agreed to which provides for its consideration paragraph by paragraph and item by item. I certainly cannot interpret that to mean that hon. members of the committee can pick out special items at random and discuss them. Bourinot in his excellent work on parliamentary procedure states that when a Bill is taken clause by clause or paragraph by paragraph all amendments must be made in consecutive order, without unanimous consent the committee cannot amend the latter part of a Bill or resolution and then proceed to consider an amendment to the first paragraph. I can quite understand the position in which hon. members have been placed, and have no blame to offer nor any fault to find with any hon. member, but if the committee would agree with the Chairman I think we should take the resolution as it now stands with the proposed amendments, read it item by item, discuss each item as it is reached and reserve to hon. members the right to discuss any question concerning the principle of this form of taxation, or

the general application of the tax when we have completed the consideration of the different items. We will make better progress in that way.

Mr. CALDWELL: There is just one thing I would like to say. I bow to your ruling, Mr. Chairman, but as a member of the Pensions Committee I have to be at its sitting in five minutes and unless I am able to express my views on this item now I may not have another opportunity.

The CHAIRMAN: I am quite sure in view of the circumstance mentioned by the hon. member that he will have the unanimous consent of the committee and be allowed to complete his question.

Mr. CALDWELL: I would like to see the minister make the regulation as to these boots not less than eight inches in height instead of not less than twelve inches. I am sure it will result in great hardship if he does not.

Sir HENRY DRAYTON: I do not think there is the slightest necessity of making any change. I am sure all these men take boots of at least twelve inches in height.

Mr. CALDWELL: I have worn out a good many pairs of driving boots and I never wore boots that were over eleven inches in height in my life, and I think I am as long in the lower extremities as most river drivers.

Mr. TOBIN: Instead of eight inches it should be seven inches.

Mr. MICHAUD: There is no need for very high boots when the water is not very cold. I would therefore suggest to the minister that he modify the recomendation in the manner suggested.

Sir HENRY DRAYTON: Surely the hon. gentlemen will see that this discussion is entirely beside the question. The limitation as to height only refers to boots of a character which, apart from the height, cannot be at all recognized. That is boots worn in lumbering, mining, and fishing. Now the reason that the men engaged in these occupations have special boots is to get special protection, and that special protection is only in the length of the leg. In the case of the river drivers' boots it is entirely different. That boot is a low boot and can be easily identified by the caulks on it.

Mr. TOBIN: How are you going to identify such boots by caulks when for long spells, especially in the summer, there are no caulks on the boots.

Mr. LOGGIE: As I understand the minister's motive it is that there should be no tax on lumbermen's boots. I am sure he understands that in the winter season the most of the boots that are worn by the men in the woods are larrikins, and I should say they would be less in height than the boots indicated in the resolution. If they were included it would only be in the event of their being over $9. In that case there will be no danger of larrikins being included because they are less than $9 in price, and so the tax would not be applicable to them.

Mr. CALDWELL: There is just one other point that the minister has lost sight of. He says that river driving boots will be recognized by having caulks. But river drivers don't wear boots with caulks in them continually. These boots must be worn for a couple of weeks before the men go into the water with them otherwise they would be too hard on the feet. Moreover they do not wear boots with caulks on them around their own home. I therefore fail to see how the caulks would be an infallible means of identification.

Sir HENRY DRAYTON: I do not see any other means of identification than the caulks. If you do not adopt that method a person could buy any kind of boots and say they were going to use them for river driving.

Mr. MICHAUD: The caulks are always put on after the boots are bought.

Mr. BUREAU: They do not use such boots in the streams.

Mr. CALDWELL: The river driver's boot is one of special make and capable of being used in the water every day. The ordinary boots if used for this purpose would not last three days. The river driver's boot could not possibly be mistaken for any other boot.

The CHAIRMAN: We shall now take the first item:

Hats, men's and boys, in excess of $5 each.

Mr. PROULX: Has the resolution regarding silk dresses been disposed of?

The CHAIRMAN: The item respecting silk dresses will be taken up when we reach it.

Sir HENRY DRAYTON: I move that the figure "$5" in this item be made "$7."

The CHAIRMAN: As amended the item will read:

Hats, men's and boys, in excess of $7 each.

Mr. BUREAU: That is more reasonable.

Amendment agreed to and item as amended agreed to.

Caps, men's and boys' in excess of $2 each.

Sir HENRY DRAYTON: I move to amend this item by inserting the words "except fur" after the word "caps" so that the item will then read:

Caps, except fur, men's and boys' in excess of $2 each.

Mr. McMASTER: Before this amendment is carried might I ask the minister if he has considered the suggestion which I made in my observations on the Budget as a whole. I drew his attention to that fact that he would acquire a great deal more money if he made these luxury taxes and duties to a certain extent countervailing. He is placing on the article produced at home exactly the same tax as upon the imported article. The latter will pay to the treasury 30, 35, or even 45 per cent. Upon the price, plus this duty, the luxury tax will be imposed, which may prohibit, or certainly very much diminish, importation, and therefore affect the Customs receipts. At the same time the minister is placing, it is true, luxury tax on the home produced article, but that will be only a trifle compared with amount of duty and luxury tax combined borne by the imported article. It would seem to me that he would be well advised in these excise taxes to differentiate between what is imported and what is manufactured at home, and place a substantially higher rate of tax on the home produced article. In this way he would deflect into the treasury a great deal of money which is now going to swell the profits of the home manufacturers.

Sir HENRY DRAYTON: I am afraid it would never do to introduce a further complication into the subject that is already somewhat complex. I do not know exactly how it would be possible to carry out the hon. gentleman's suggestion. I would point out to him that as things now stand every single reason that to-day exists for these articles being imported will continue with the luxury tax, because they are selling in competition with the home article subject to a certain disability, and the equilibrium is maintained; and, further, as there is a tax on both, the percentage of equilibrium is less in favour of the imported article.

Mr. HENDERS: Among people who are exposed to the cold a great deal there is a cap in very common use lined on the inside and with flaps that can be pulled down to give greater protection to the ears and neck. That cap cannot be bought for $2. It is undoubtedly a necessary article of wear in winter time, and I think there should be some recognition of that fact.

Sir HENRY DRAYTON: I entirely agree with the hon. member. In using the word "fur" I meant to include a cap either of fur or fur-lined. To make it perfectly clear, I think the exception might be made to read "except fur or fur-lined."

Mr. DOUGLAS (Strathcona): That hardly covers the point raised by the hon. member for Macdonald (Mr. Henders). The cap he refers to is made of cloth with fur ear laps, and would not be covered by the description "fur-lined."

Sir HENRY DRAYTON: "or with fur ear laps."

Mr. McMASTER: Ear laps would give a wrong impression. The extension comes down over the whole back of the head and protects the ears and neck.

The CHAIRMAN: "Caps, except fur caps or caps lined wholly or partly lined with fur."

Sir HENRY DRAYTON: That will make it right.

Mr. GOULD: It is a well known fact, even to some of our hon. members from the East, that in the West very early in the fall we are obliged to don these fur caps if we wish to have any comfort. Fur does constitute a very necessary article of apparel in the West during many months of the year. I would like to see that tax made as easy as possible on the people of Western Canada. Undoubtedly as it is now it will rests more easily on the people of the eastern provinces.

Sir HENRY DRAYTON: I do not know the hon. gentleman's trouble, because we are excepting from this particular item fur caps and caps made of fur. There is another item later on.

Item as amended agreed to.

Hose or stockings, silk, men's and boys', in excess of $1.00 per pair.

Mr. McMASTER: The minister should make his minimum higher than one dollar a pair. The plainest sock without clocks or any other adornment cannot be bought for less than a dollar a pair. The minister should remember that dry feet are the foundation of good health, and therefore

he should not tax socks in this drastic fashion.

Sir HENRY DRAYTON: Mr. Chairman, I do not know that silk stockings have very much to do with dry feet, and I do not believe that the presence of clocks or any other adornment has very much to do with it either. I think, though, the item should be slightly amended. I move that the words "or artificial silk" be inserted after the word "silk." While the customs give a reading which would cover that, we might just as well make it perfectly plain here. so the item will read:

Hose or stockings, silk or artificial silk, men's and boys' in excess of $1.00 per pair.

Mr. PEDLOW: "Hose" includes stockings, and I would suggest that the word "socks" is a more appropriate word in connection with men's wear. In regard to the remarks made by the hon. member for Brome (Mr. McMaster) I think that silk socks are likely to conduce to cold feet rather than warm.

Item as amended agreed to.

Hose or stockings, silk, women's and misses' in excess of $2.00 per pair.

Mr. LOGGIE: Let me say to the committee that there is no economy in buying silk stockings as such at $2.00 per pair.

Mr. DOUGLAS (Strathcona): Why buy them at all?

Mr. LOGGIE: Well, I think if hon. members will consider the matter they will agree with me that as the ladies adorn themselves to-day stockings are not a luxury. In my judgment silk stockings cannot be produced to-day to sell at $2.00 per pair, and if made of artificial silk it is no economy to buy them. It seems to me that when every lady in this city, I venture to say, wears silk stockings, if not every day, at least on Sunday—

An hon. MEMBER: How do you know?

Mr. LOGGIE: Never mind how I know. I do not think the retail trade can sell silk hose to-day that will give reasonable satisfaction at less than $3 to $3.50 per pair. There is no economy in buying silk hose at $2 per pair, because they have not the required lasting qualities.

Sir HENRY DRAYTON: I desire to add the words "or artificial silk," after the word "silk."

Amendment agreed to.

Mr. LOGGIE: There will be confusion, too, for this reason; stockings may be part of cashmere and part of silk. No provision is made for such a case.

Item, as amended, agreed to.

Nightgowns in excess of $3 each.

Mr. PEDLOW: With reference to the item "Pyjamas and underwear in excess of $5," in my judgment pyjamas are a luxury, a modern innovation, and should be taxed on the basis of a lower price than $5. I suggest that the figure be $3, as in the case of nightgowns.

Item agreed to.

House or smoking jackets, or bath and lounging robes.

Sir HENRY DRAYTON: I move that the word "or" be substituted for the "and" between the words "bath" and "lounging."

Amendment agreed to, and item as amended agreed to.

Pyjamas and underwear in excess of $5.

Sir HENRY DRAYTON: Underwear combinations are one thing and ordinary undergarments another. As the resolution now stands there is no tax on ordinary underwear garments because they can be purchased for less than $5, whereas there is a heavy tax on underwear combinations. I therefore move that the resolution be amended to read as follows:

Pyjamas in excess of $5; underwear consisting of shirt and drawers in excess of $3 per separate garment; underwear combinations in excess of $6 each.

Mr. HAROLD: I submit that the minimum in respect of union suits is not high enough. I am informed that $8.50 is required rather than $6 to purchase a proper garment for this climate, made of wool. We ought to consider this matter carefully, because there are some well-known lines of underwear that have been used for many years, the prices of which are more than $6 a suit. Underwear is a necessity, and this minimum should be increased. I submit also that underwear shirts should be allowed a higher figure than $3.

Mr. DOUGLAS (Strathcona): I have already spoken on this matter, but I desire to support as strongly as I can the remarks of my hon. friend (Mr. Harold). It is absolutely impossible to buy for $6 a suit of union underwear made of wool. In the province from which I come nobody can wear cotton underwear in the winter with any degree of comfort, and if you compel

every one who wears woollen underwear in winter to pay a tax over and above the regular tax imposed by customs, you will inflict an unjustifiable hardship on the people.

Mr. McMASTER: I wish to say a word in support of what has been said in this connection. To tax woollen underwear at the rate the minister proposes is merely to tax the health of the people, the foundation of all our wealth and all our prosperity. I strongly urge the minister on the broadest public grounds to increase the minimum so that the working man, the farmer, the lumberman, the fisherman, the man who has to go out in all hours and endure the rigours of the Canadian climate, will not be taxed when he goes to buy that which is absolutely necessary to protect him from weather conditions.

Sir HENRY DRAYTON: I do not think that the people to whom my hon. friend (Mr. McMaster) refers are buying garments at prices as high as those here mentioned. You can get pretty decent Canadian-made underwear suits at the figures given. They might not be as nice as the hon. gentleman would like; possibly they would be a little rough and irritating, but still they could be got. However, in view of the conditions in the West, as well as in Quebec, where the climate is very cold and where the heavier garment is probably necessary, I move that the figures be changed to $4 and $8 respectively.

The CHAIRMAN: The item now reads:

Pyjamas in excess of $5 per pair;
Underwear consisting of shirts and drawers in excess of $4 per garment;
Underwear, combinations, in excess of $8 each;

Item, as amended, agreed to.

Purses and pocket-books, in excess of $2 each;

Mr. PEDLOW: Before this item is carried, I should like to suggest that the two items "purses and pocket-books in excess of $2 each" and "shopping and hand-bags in excess of $6 each" be combined. It is almost impossible, in ordinary practice in business, to distinguish between these two items, because they overlap each other in so many ways. The United States schedule includes purses, pocket-books, shopping and hand-bags under the same heading, and the price on which the article is taxes is in excess of $7.50 each. I would not suggest such a large price as that. The United States schedule continues:

For the purpose of the tax purses shall be deemed to include all receptacles used for carrying money on or about the person. The term "pocket-book" is broader in meaning than "purse", and includes any receptacle other than a purse for carrying money, papers, cards, memoranda, etc., in the pocket or on or about the person. The term "shopping and hand bags" shall include all bags, whether or not fitted with toilet articles, designed to be carried in the hand or on the arm for the purpose of conveying commodities or personal effects.

I would suggest that a lower price be named for shopping-bags in combination with purses and pocket-books. In that way, there would be less difficulty as regards the tax. I would suggest a minimum of $5.

Sir HENRY DRAYTON: I was going to suggest, in view of the hon. member's suggestion, he might like to split the difference and make it $4 on them all, but there is one other thought in connection with that, and that is that after all shopping and hand-bags are not absolute luxuries, they are really necessaries, and I doubt if one could get for $4 a shopping-bag or hand-bag that would be any good.

Mr. BEST: Leave the item as it is.

Sir HENRY DRAYTON: I should think it would be better to leave the item as it is. After all there is a distinction between a purse and a hand-bag; one is put into your pocket and the other is carried.

Item agreed to.

Umbrellas, parasols and sunshades in excess of $4 each.

Mr. McMASTER: The minister should make that a little higher.

Some hon. MEMBERS: No.

Mr. McMASTER: I think the minister will find, if he goes to buy a first-class umbrella—and after all, if a friend does not walk off with a first-class umbrella or if you do not lose it yourself, a first-class umbrella is good economy to buy—it will be very difficult to obtain one for $4.

Item agreed to.

Gloves, except fur in excess of $3 per pair.

Mr. LOGGIE: This is an article of lady's dress that, it seems to me, is in common use from day to day, and gloves of a reasonable length on the arm cannot be purchased retail at the present time at $3 per pair.

Mr. VERVILLE: Shorten them.

Mr. LOGGIE: If this is a luxury tax, good and well, but I claim that gloves are not a luxury. Almost every lady you pass on the street is wearing a pair of gloves

that will cost more than $3 retail.

Item agreed to.

Coats and robes, the component material of chief value being fur, in excess of $100 each;

Sir HENRY DRAYTON: That is covered by the proposal made the other day. I move:

That the words "coats and robes, the component material of chief value being fur, in excess of $100 each", in paragraph (a), and the words "wearing apparel, not otherwise provided for in this resolution, the component material of chief value being fur," in paragraph (b), be stricken out, and the following words be inserted in paragraph (a):

Coats, the component material of chief value being fur, including repairs thereto, in excess of $200 each;

Gloves, the component material of chief value being fur, in excess of $15 per pair;

Caps, the component material of chief value being fur, in excess of $15 per pair;

Muffs and neckpieces, the component material of chief value being fur, in excess of $35 each;

Robes and rugs, the component material of chief value being fur, in excess of $50 each;

Wearing apparel, not elsewhere specified, the component material of chief value being fur.

Mr. HAROLD: I should like to submit that these rates are too low. They provide for fur wearing apparel for children and girls up to about fifteen years of age, but they do not permit of the use of our best known furs required for women's wear, furs such as sable, mink, dyed coon and beaver. I would submit for the consideration of the minister that these furs are necessary in our winter climate, especially for those women who have to travel a long distance, and they should be able to obtain them without the necessity of paying a tax. The tax should be arranged to apply on furs only in excess of $50 per piece, that is, for a muff or neckpiece, or even $75 per piece, or $150 for the set. $35 per piece is altogether too low. I think if the minister is not willing to accept this suggestion at the moment, the item should stand until he has considered it further.

Item as amended agreed to.

Cut glassware:

Sir HENRY DRAYTON: There is another expensive kind of ware which sells in competition with cut glassware and which is very often thought to be cut glassware and that is, etched glassware. It is equally expensive, and it seems to me it is only fair that it should be treated in the same way. I therefore beg to move to add after the word "glassware" the words "and etched glassware."

Mr. McMASTER: Are there not a number of other kinds of high priced glassware besides cut glassware and etched glassware? I think there are. I am afraid the minister with regard to this item is just picking out a couple of kinds and letting the others go free. It is not quite fair to the people who specialize in these lines.

Sir HENRY DRAYTON: If the hon. member will mention any additional kinds that should be taxed I shall be very glad to do it.

Mr. McMASTER: I am a very economical person and rarely buy these goods, but I have seen, for instance, beautifully coloured Venetian glassware. You can buy it in Venice when you go there, if you have enough money. I know there are other kinds of glassware. I cannot specify them at the present moment, but I believe if the minister went into an establishment such as Henry Birks and Sons, Montreal, he would see not only this Venetian glassware but other beautiful and very expensive glassware which are neither cut glassware nor etched glassware.

Item as amended agreed to.

Sporting goods, such as tennis rackets, nets, racket covers and presses, skates, snowshoes, skis, toboggans, canoe paddles and cushions, polo mallets, baseball bats, gloves, masks, protectors, shoes and uniforms, football helmets, harness and goals, basket-ball goals and uniforms, golf bags and clubs, lacrosse sticks, balls of all kinds, fishing rods and reels, billiard and pool tables, chess and checker boards and pieces, dice, games and parts of games (except playing cards and children's toys and games, all similar articles commonly or commercially known as sporting goods in excess of 50 cents;

Sir HENRY DRAYTON: I beg to move that this item be struck out and that the following be substituted therefor:

Sporting goods, such as tennis rackets, nets, racket covers and presses, snowshoes, skis, canoe paddles and cushions, polo mallets, baseball protectors, football helmets, harness and goals, basketball goals and uniforms, golf bags and clubs, baseball, lacrosse, hockey and football uniforms, balls of all kinds not hereinafter specified (not including balls for children) fishing rods, reels, lines, spoons and artificial bait, billiard and pool tables, chess and checker boards and pieces, dice, games and parts of games (except playing cards and children's toys, games and express wagons) and all similar articles not elsewhere specified commonly or commercially known as sporting goods in excess of 50 cents;

Baseball bats and baseballs in excess of $1.25;

Baseball masks and gloves in excess of $1.50;

Skates in excess of $2.00 per pair;

Toboggans and hand sleds in excess of $3.00 each;

Footballs in excess of $3.00 each;

Lacrosse sticks in excess of $1.50 each;

Hockey sticks in excess of 75 cents each.

Mr. FIELDING: It seems to me there are a lot of items here which cannot be obtained for any such price as 50 cents.

Sir HENRY DRAYTON: Some of these goods, of course, are very expensive, but others such as fish hooks, cheap fishing lines and children's fishing material, would not cost 50 cents. We do not want to put a tax on those small articles at all, nearly all of which can be got for less than 50 cents.

Mr. FIELDING: Billiard tables, for instance, not exceeding 50 cents are exempt. Is there such a thing as a 50 cent billiard table?

Sir HENRY DRAYTON: Not that I have been able to learn.

Mr. FIELDING: What about fishing rods and reels? If my hon. friend can get these for 50 cents the anglers would be glad to know it.

Sir HENRY DRAYTON: I used to buy a straight bamboo pole for 15 cents, and it did very well. The hon. member will see that all small articles are covered. There is a general clause dealing with what are commercially known as sporting goods and we do not want to tax anything under 50 cents.

Mr. McMASTER: Macaulay says that the puritan was opposed to bear-baiting not because it gave pain to the bear but because it gave pleasure to the spectator. Now, the Minister of Finance in this proposition is evidently actuated by the same motive, because he will give trouble and annoyance to the small consumer without securing any adequate return to the revenue. I would preface these few remarks by saying that I do not think this clause could have emanated from the mind of such a genial personality as the minister himself. I think it is an intolerable piece of petty legislation to tax boys' skates and hockey sticks and children's marbles and things of that kind and I seriously suggest to the minister that the revenue which he will derive from taxes of this sort will be negligible. True, he may get something from billiard and pool tables, but I may point out to him that in most jurisdictions in Canada, certainly in the province of Quebec, these articles are subject to very heavy taxes when they are in public rooms. Billiard parlours and pool rooms have to pay substantial yearly dues to the Provincial Government. The great point I want to make is that the amount of revenue to be acquired from the taxation of boys' and girls' games will be very small indeed. Healthful outdoor recreation and sport, instead of being taxed, should be encouraged, and I would strongly urge upon the minister the desirability of wiping out this part of his luxury tax proposal. I do not believe that his revenue will suffer $10,000 a year if he strikes it out, and he will certainly help on youthful outdoor recreation and sport, which deserves the commendation of every citizen who has the welfare of the rising generation at heart.



Mr. PEDLOW: The amended paragraph omits two items which are included in the original resolution, namely, skates and toboggans. I should like to know the reason for the omission of these two items. I observe also that canoe cushions are to be taxed. How are we to distinguish between a cushion that is used in a canoe, and a verandah cushion? It is impossible to do so.

Sir HENRY DRAYTON: The point is well taken. I do not believe there is much use in the word "cushion" in this connection, but if a canoe is bought with cushions I think those cushions should be taxed, and for that reason the word is necessary. We are not thinking of separate cushions in connection with this item, but when a person buys a canoe with paddles and any other appurtenances, cushions, if they are included, should be taxed. Possibly it may make no great difference, but there can be no harm in leaving the word in. With regard to the other question raised by my hon. friend, the words he mentions are omitted because we have a limit as to the cost of skates in the resolution. Skates must be in excess of $2 per pair before being taxable, and that leaves children's skates free.

4 p.m.

Mr. PEDLOW: What about toboggans?

Sir HENRY DRAYTON: The same thing applies to toboggans; children's toboggans and handsleds are free.

Mr. PARENT: Is there any reason why skis should not be exempt? This question may not apply with such force to Ontario and the West, but it does so far as Quebec is concerned, for in that province skis are very much in use. They are equally as popular as skates and toboggans and should also be exempt.

Sir HENRY DRAYTON: Would the hon. member suggest "skis in excess of $3," so as to keep this article in the same class?

Mr. PARENT: Do I understand that $3 is the limit?

Sir HENRY DRAYTON: No. The hon. member asks that skis be treated the same as toboggans and handsleds which are free of taxation up to $3. Does he suggest the same thing in regard to skis?

Mr. PARENT: Yes.

Sir HENRY DRAYTON: I have no objection to that.

The CHAIRMAN: Sir Henry Drayton moves to insert after the words:

Toboggans and handsleds in excess of $3.00 each.

the following words:

Skis in excess of $3.00 per pair.

Mr. MANION: I think that the hon. member for Brome went rather too far in his remarks, but that there are a few games which are regarded as of more or less national pastimes among public and high school children. There are three or four items here that could be left out with absolute advantage to the people and no loss to the minister. For example, snowshoes, baseball bats, gloves, masks and protectors, and in fact everything connected with the baseball game, and lacrosse sticks, etc., should be omitted from this list. Baseball and lacrosse are national games and I do not think they should be penalized.

Sir HENRY DRAYTON: I do not think the hon. member has seen the amendment. He will find it at page 3447 of Hansard. We exempt baseball bats and baseballs up to $1.25.

Mr. McCOIG: You cannot buy any kind of decent baseball for $1.25.

Sir HENRY DRAYTON: The dealers inform me that you can.

Mr. McCOIG: You cannot buy a good baseball for less than $2.50.

Mr. BUREAU: A baseball costing less than that would not be used by a child of ten.

Mr. BELAND: You cannot get a baseball with any good trade mark for $1.25

Sir HENRY DRAYTON: I do not suppose that there is any class of people who are more keenly anxious to get away from taxation than the people who are in the business. I have been besieged by deputations night and day and deluged with telegrams from every part of the country, and on cross-examining these gentlemen I find that the articles here referred to are sold at as cheap a price as is mentioned.

Mr. TOBIN: At that price they are of no practical use.

Sir HENRY DRAYTON: I am informed that they are good enough for young people's games. Of course, they would not be suitable for a league game.

Mr. BUREAU: You have to pay $2.50 and $3.

Mr. McMASTER: There are a few articles in this list which might bear taxation, such as golf bags and clubs and billiard and pool tables. I would suggest that they might possibly be put under the tax of 10 per cent, the same as boats, yachts, canoes, etc. These things are used by people of more mature years who have ample pockets. I urge very strongly the advisability of wiping out the item as it is in respect of juvenile sport which should be encouraged and not taxed. I am somewhat surprised that the minister cannot see the matter in the light in which I, and also a very large number of the members of the House, see it.

The CHAIRMAN: Shall the item as amended carry?

Mr. LOGGIE: Before the item carries. Regarding snowshoes, I would like to remind the minister that snowshoes are used by lumbermen in a very large way, and I wonder if it is the intention to relieve them from the tax.

Mr. BUREAU: Snowshoes are used by the cruisers only.

Sir HENRY DRAYTON: Snowshoes, as a matter of fact, are used in a business way very much more than they are used in a sporting way. I have no objection to the snowshoes being struck out.

Mr. BUREAU: Will the minister increase the amount of exemption in the case of lacrosse sticks and baseball bats for the youngsters.

Sir HENRY DRAYTON: I wonder what hon. gentlemen will say as to the value of lacrosse sticks at $1.50. I used to get very good ones at seventy-five cents myself.

Mr. BUREAU: I got them for thirty-five cents fifty years ago.

Sir HENRY DRAYTON: Well, what do hon. members says?

Mr. McKENZIE: All through the items there seems to be an intention to give one

the option of buying a cheaper article and getting it free of tax, or buying a dear article and paying the tax. I wish somebody would suggest how you can get a fishing rod and reel for fifty cents; I never heard of such a thing. No person can buy a decent fishing rod and reel for less than $7 or $8.

Sir HENRY DRAYTON: There is no doubt we intend every one to pay a tax on a fishing rod and reel. As to baseball bats I would point out that if prices are as bad as hon. gentlemen say they are they are entirely too high and should come down. I think this tax is going to help to bring prices down. I have no objection, if the committee desire it, to make the figure, in the case of baseball bats and baseballs $1.50 in place of $1.25.

Mr. TOBIN: You cannot get any for $1.50, make it $3.

Mr. BUREAU: A $2 bat will not be used by any grown-up person. Those who will buy the cheaper goods are the boys who cannot afford the more expensive articles. If they were all the sons of rich men I would say "tax them."

Sir HENRY DRAYTON: Then we will say:

Baseball bats and base balls in excess $2; Lacrosse sticks in excess of $2 each.

The CHAIRMAN: Do I understand that the minister also wishes to amend the item by striking out "snowshoes"?

Sir HENRY DRAYTON: Yes.

The CHAIRMAN: Shall the item as amended carry?

Mr. McMASTER: Lost.

Item as amended agreed to.

Plated ware not otherwise provided for in this resolution adapted for household or office use.

Sir HENRY DRAYTON: I desire to move an amendment in that connection. Plated ware apparently is something which the customs treat as covering nickel plating, brass plating and the like. That is not a luxury at all and so I move that the item be amended so as to read:

Articles plated with gold or silver not otherwise provided for in this resolution, adapted for household or office use.

That makes nickel and brass plating free.

Mr. BUREAU: That would exempt all nickel-plated articles such as percolators.

Mr. LOGGIE: Nickel plated table cutlery?

[Mr. McKenzie.]

Sir HENRY DRAYTON: Yes.

Item as amended agreed to.

Velvets, velveteens, plush and silk fabrics.

Sir HENRY DRAYTON: I move that the words "silk fabrics" be struck out and the following words be added:

Silk and artificial silk fabrics in excess of $2 per yard.

Mr. LOGGIE: Before this item carries I would like to ask the minister what provision is made either in the resolutions introduced at the time of the Budget Speech, or in the amendments of which notice has been given regarding women's silk skirts or silk coats? I understand silk skirts will be subject to a tax on the full amount of $15 although there seems to be no amendment before the House in that regard at the present time. I also infer that the item "dresses, women's and misses', in excess of $45 each" has been cut out altogether.

Sir HENRY DRAYTON: No, that is not cut out. It has been placed under the excess tax.

Mr. LOGGIE: I now understand from the minister that item has not been cut out. Well, as I understand it, what the tax means is this: A silk skirt is taxable not for the excess in value over $15 but for its full value. Therefore at the 10 per cent rate a skirt which has been bought for $20 will pay $2 tax, and a coat costing $40 will pay $4 tax. If we are going to make clothing pay the excess over a certain price it is surely reasonable that silk garments should come within the same category and only pay the percentage on the excess. Another thing that is inconsistent: As proposed you allow women to go into a store and buy silk—

Mr. McMASTER: You cannot stop them.

Mr. LOGGIE: —at $1.95 a yard without a tax, but if that silk is made up into a garment it is taxed. It seems to me that is an anomaly. It certainly is not encouraging a woman to make her own dresses.

Mr. BUREAU: Why should she?

Mr. LOGGIE: Why should she not?

Mr. BUREAU: You would put all these tailors out of business. Have a heart. You are selling the goods, let the tailor live also.

Mr. LOGGIE: Well, Mr. Chairman, I cannot conceive that this is consistent with

the principle of a luxury tax. To me it is not any luxury these days for a woman to buy a silk skirt. If she pays $20.00 for it, she has to pay a $2.00 tax.

Mr. BUREAU: It serves her right.

Mr. LOGGIE: But if she buys a wool skirt at the same price, she has to pay only $1.20.

Some hon. MEMBERS: Carried.

Mr. LOGGIE: Mr. Chairman, as a rule I do not take up very much of the time of the House. I want to ask the minister to consider what I have just mentioned. He is introducing the principle of equality in taxing both men's and ladies' clothing on the excess price only; whereas in regard to silk garments he is taxing on the full value. Then I would like to draw his attention again to the anomaly that silk at $2.00 per yard is taxed, but the garment made up from silk is not taxed until a rather high price is reached compared with the $2.00. Three yards and a half will make a lady's skirt, and it does seem to me an anomaly to, differentiate to this extent.

Sir HENRY DRAYTON: The reason for the difference in the scale is that we regard silk as something which is not an absolute necessity in our climate, while we think that wool and other materials are; so the tax is paid on the whole value. As to silk sold by the yard as against silk made up into a skirt or dress, silk sold by the yard is not taxable unless it costs more than $2.00 a yard; while silk made up into a garment and sold is taxable on the full value.

Mr. LALOR: I am inclined to agree with the hon. member for Northumberland (Mr. Loggie); I think the tax on the full value of the silk skirt is pretty heavy. Silk skirts are very generally worn by our women and girls. To-day we have a number of factories in Canada, manufacturing silk skirts and I do not think this heavy tax will encourage that enterprise.

Mr. HAROLD: Could the minister give us some of the trade names of silk fabrics? Do dress goods called "georgette" come under the description of silk fabrics?

Sir HENRY DRAYTON: I think that is silk.

Mr. LOGGIE: Georgette is a very thin material,—quite as thin as silk, if not thinner.

Mr. BUREAU: It is too thin. Let it go.

Mr. LOGGIE: Some georgette is made of silk, some not. As I understand, the minister has not separated the value of ladies' silk dresses, as he has done in the case of ladies' wool dresses. Would it not be advisable to make this separation?

The CHAIRMAN: We have not yet reached that item.

Mr. LOGGIE: Perhaps not.

Embroideries of silk.

Sir HENRY DRAYTON: I move to amend that item to read:

Embroideries of silk or artificial silk.

Mr. McMASTER: How is the minister going to treat mixtures of wool and silk which we see advertised?

Mr. BUREAU: He will call it "silk cocktail".

Item as amended agreed to.

Lace, including collars or collarettes of lace and all manufactures of lace;

Sir HENRY DRAYTON: I move to amend this item so that it will read as follows:

Lace and braid in excess of fifty cents per yard; Collars and collarettes of lace and all manufactures of lace in excess of $1.00.

Mr. LOGGIE: In my judgment that is an impracticable clause. It means putting the onus on a retail merchant when selling a collar to say how many yards of lace it contains.

Sir HENRY DRAYTON: We have changed that.

Some hon. MEMBERS: Carried.

Mr. LOGGIE: Mr. Chairman, as far as I am concerned this item will not carry for a moment or two at any rate. I think the amount is entirely too small; it should be "not less than $3.00". Otherwise you are taxing every working girl, and as this is a luxury tax it seems to me that we ought not to tax what is virtually just as much a necessity as bread. I know as a matter of fact that an imitation lace collar of any appearance at all cannot be sold for less than $3.00, and a collar of the same size but of better quality would have to be sold for $6.00. Of course, the latter I admit would be a luxury; it might be a hand-made collar. But the ordinary lace collar should not be taxed unless in excess of $3.00. Quite a number of these collars are worn with a bib to them.

Mr. BUREAU: Don't tax bibs for goodness sake.

Mr. LOGGIE: I do not think it is in the public interest to tax a $1.00 lace collar. This is being treated as a luxury tax, and I contend that a collar or collarette sold at $1.00 is no luxury at all.

Sir HENRY DRAYTON: I would like to meet my hon. friend by making the value $2.00 instead of $1.00. The item will now read:

Collars and collarettes of lace and all manufactures of lace in excess of $2.00.

Mr. LOGGIE: In connection with the same class of goods there is what is known as vesting, which is sold by the yard. A lady may buy a quarter of a yard of it and use it instead of buying an expensive piece of lace. Vestings, etc., over eight inches wide should, I suggest, not be taxable except when it costs over $5 a yard, and when between four and five inches wide might be taxed at $2 per yard. This branch of dry goods, as I may call it, is sold by the yard.

Mr. BUREAU: Luxury—call it by its name.

Mr. LOGGIE: No, it is not a luxury; it is made of the very cheapest lace.

Item as amended agreed to.

Ribbons of all kinds and materials.

Sir HENRY DRAYTON: I move that the resolution be amended to read as follows:

Ribbons of all kinds and materials, (except typewriter ribbons) in excess of 50 cents per yard.

Item as amended agreed to.

Sir HENRY DRAYTON: In connection with paragraph (a), notices of certain amendments were given. We might profitably discuss these other items now.

The CHAIRMAN: The committee will now consider the amendments to this resolution of which notice was duly given on June 10 and which amendments will be found in the Votes and Proceedings of that date.

Clocks and watches in excess of $10 each.

Mr. PEDLOW: I am advised by jewellers that the minimum is too low; that it is impossible to purchase a good, reliable watch at that price and that the limit should be $20.

Sir HENRY DRAYTON: I think that the jewellers are really not interested in this item. There is a special item in relation to jewellers and watches of a better quality which covers the whole field of taxation so far as that class of trade is concerned.

[Mr. Bureau.]

Mr. McMASTER: The jewellers may not object to this item but the consumers of the country may object when a watch which sells at say $15 is regarded as a luxury and a tax is imposed upon it.

Mr. FIELDING: Consumers of time.

Mr. McMASTER: Yes, consumers of time, and those who have to use watches, which includes the vast body of Canadian people. This is not a tax upon a luxury; it is a tax upon a necessity. Certainly the minimum should be increased.

Sir HENRY DRAYTON: It is not a question of the consumer on the one side and the jeweller on the other. It is proposed to have a general tax on jewellery to cover the whole of the jewellers' output, leaving it to the jewellers themselves to apportion it as they think best. There are, however, a large number of watches of a cheap character that are not sold in jewellers' shops at all. The better watches are always sold by regular watchmakers and jewellers, but hardware shops carry cheap watches, not good ones, and clocks. It is to cover those that this item is proposed.

Mr. ROBB: What provision is the minister making, as regards not only watches, but other items of this nature, to take care of the travelling pedlar who goes about the country with a kit?

Sir HENRY DRAYTON: I am afraid we shall have to tax the travelling pedlar who goes about with a kit. He will have to take out a license.

Mr. WILSON (Saskatoon): My understanding is that, on account of the difficulty of specifying all articles handled by jewellers in order to impose a tax on those articles, it is proposed to license jewellers as jewellers and to subject them to a tax of 10 per cent on their turnover on all articles which they handle.

Sir HENRY DRAYTON: That is correct.

Mr. FIELDING: We are now dealing, not with jewellery generally, but only with watches.

Item agreed to.

All furniture finished in gold leaf, verni martin, or with ornamental or expensive inlays such as mother-of-pearl, or with hand-painted decorations.

Mr. EULER: I notice in Hansard of a few days ago the hon. member for Beauce (Mr. Béland) asked the minister whether under that item would be included furniture composed of veneered woods, and I think the reply given by the minister was

in the affirmative. I do not know whether the woods are specified. Would this include mahogany, walnut and oak veneers?

Sir HENRY DRAYTON: It includes only the expensive woods that are mentioned. The whole resolutions strike only at extravagant furniture. The first item, for example, "antique furniture" refers to real antique furniture as such, not to reproductions, the sort of expensive furniture that you get when you are paying a great deal for antiquity, the real old article. It does not refer to any furniture which is made to-day and which is sometimes as cheap as any other kind of furniture you can get, which is an imitation of an antique article. The tax is imposed merely on antiques of those expensive woods which are very valuable.

Mr. CAMPBELL: Does it refer to period furniture?

Sir HENRY DRAYTON: Not at all. It refers only to the genuine antique itself.

Mr. PARENT: If I remember rightly, when I called the attention of the minister some time ago to what veneered furniture was, I think he replied that veneered furniture would be taxed. What I have in mind is this. You may have a piece of furniture made, for instance, of spruce or pine with a thin edging of ebony or something of that kind stuck to it in some way. That sometimes becomes a very expensive piece of furniture, and I see in these resolutions no provision for taxing such furniture. Is it the intention of the minister to tax it?

Sir HENRY DRAYTON: The intention is to tax it, and we think the resolution covers it.

Mr. PARENT: It does not say so.

Sir HENRY DRAYTON: I think it does.

Mr. ARMSTRONG (East Lambton): Does the resolution cover auction sales of furniture?

Sir HENRY DRAYTON: None of the proposals cover auction sales in any way.

Mr. ARMSTRONG (East Lambton): Some dealers sell by auction.

Sir HENRY DRAYTON: What I mean by that is this. Supposing, for example, a man is giving up housekeeping and selling his furniture. He would pay no tax at all, because that is not his ordinary, regular business. He is simply realizing upon something that is of no further use to him. But if a dealer chooses to sell his goods by auction, he will pay the tax just as much as if he were selling in the ordinary course of business.

Mr. FIELDING: Does the minister provide for that distinctly in the resolution?

Sir HENRY DRAYTON: I will see that that is provided for now.

Mr. EULER: My reference was not to antique furniture, but more particularly to those classes of furniture called veneers, which, as stated by my hon. friend (Mr. Parent), become quite expensive. It may be perfectly true that those articles of furniture are in a sense luxuries; probably they are. For example, a bedroom suite may run as high as $600, or $1,000, or $1,200. I do not think it is the intention of the minister to inflict any loss upon any manufacturers or any disability upon workmen engaged in those factories. In the city from which I come the art of furniture making has been developed to a very high degree from the cheapest classes of furniture to the most expensive. It does not necessarily follow that manufacturers who are engaged in the business of making more expensive and artistic furniture, if you like, are in a position to stand any great financial loss. I am told that, as a result of the tax which has been imposed upon these more expensive lines of furniture, there has already been an enormous number of cancellations of goods which had been sold by the manufacturers. There is no doubt whatever that those men will have to suffer a very serious loss, because not only will they have those stocks left on their hands, but they have already prepared a considerable quantity of raw material in the way of expensive goods which cannot very well be adapted for any other kind of furniture than this particular kind. The suggestion has been made to me—and it seems to me a fair one—is that these men, instead of being compelled to suffer this loss, should be given some opportunity of adapting themselves to the manufacture of other lines and should be enabled to sell what furniture they have already in stock and the material which must be made into that kind of furniture. This is a very serious matter to many manufacturers in this country, and perhaps the minister would give it some consideration.

Mr. MANION: When I was at home recently, a complaint was made to me that a man might walk into a furniture store and buy a suite of bedroom furniture of walnut, mahogany or maple or some of those woods, costing perhaps $500, and no tax

would be imposed upon his purcahse. If that be correct, I do not think it is fair, because anybody who can afford to pay out $500, or $600, or $700 for a suite of bedroom furniture can afford to pay a pretty stiff tax. I do not see any reference in this resolution to furniture of mahogany or maple or any of those expensive woods such as my hon. friend has spoken of, and I think they should be taxed.

Sir HENRY DRAYTON: There is no tax upon maple furniture because that is about the cheapest furniture one can get. Maple is now worth less than pine. Maple used to be sold for $25 per M, if I remember correctly; it is selling now for about $97 per M. It is a poor finishing wood, and there is very little of it sold.

Mr. LALOR: What about bird's-eye maple?

Sir HENRY DRAYTON: Bird's-eye maple is of a better class. The difficulty about the whole furniture business at the present time is the tremendous expense of woods which are practically altogether imported. Quarter-cut oak that is used in furniture has risen in value from approximately $100 per M to something like $398 per M, and similar advances have taken place as regards walnut, mahogany and other expensive woods. There is no doubt that costs to the furniture manufacturer have abnormally increased owing to reasons which were not within his power or competency to control. In addition to that, furniture glass is practically all Belgian glass. The ordinary mirror for a dresser before the war cost $2.58, if I remember correctly, and now costs something like $2.75, so costs have gone up very greatly. We are not here attempting to regulate the cost of furniture by a tax. The cost of ordinary furniture is so great at the present time that there is not much room for a cut, but there is room in the case of these absolute luxuries. We think antique furniture in these expensive woods, walnut, mahogany, rosewood, ebony and oak, is distinctly a luxury. Carved ebony and lacquered funiture are certainly luxuries, and so on through the list.

Mr. FIELDING: Will the minister have any difficulty in determining what is antique furniture?? I believe the experience of some buyers, not only of furniture but paintings and other things, is that that which is bought for antique is very modern sometimes. I suppose if the dealer represents it to be antique, the minister will collect the tax. There may be a claim afterwards for a refund.

Item agreed to.

All liquor cabinets, smoker cabinets, tea wagons, sewing cabinets, work tables, piano lamps or stands, table lamps or stands, ferneries, jardinieres, pedestals and bric-a-brac, made of rosewood, prima vera, solid mahogany or ebony or lacquered or decorated;

Mr. LEMIEUX: Will the minister explain what is meant by bric-a-brac?

Mr. FIELDING: There is a well known definition. It is anything you don't need, should not have, and have no room for.

Sir HENRY DRAYTON: I think we should accept that at once.

Mr. LEMIEUX: Is it not a good description of the Government?

Item agreed to.

(b) A tax of twenty per cent on,—
Cigar and cigarette holders and pipes in excess of $2.50 each;
Cigar and cigarette cases, ash trays and match boxes of gold or silver;
Humidors and smoking stands;
Hunting and shooting garments and riding habits;

Mr. McMASTER: That is a very heavy tax on riding habits.

Item agreed to.

Gold, silver, ebony and ivory toiletware:

Sir HENRY DRAYTON: I beg to move that the word "ebony" be struck out, and to add to paragraph (a) the item "ebony and imitation ivory toiletware." The reason for this is that ebony toiletware is a cheap kind of toiletware, and we are therefore transferring it from the 20 per cent to the 10 per cent class, and including a new item, "imitation ivory toiletware." The reason for including imitation ivory toiletware is that under the customs regulations when you tax ivory, substitutes are taxed as well, and, of course, these imitations are very often cheap.

Mr. PARENT: The minister is adding the word "imitation" as regards toiletware, but he does not use that word in connection with the item "ivory-handled cutlery" in paragraph (a).

Sir HENRY DRAYTON: I am not adding the word "imitation" to "ivory toiletware" in paragraph (b), but am making a new item in class (a) for "ebony and imitation ivory toiletware." Ivory toiletware is left in paragraph (b), because it is very expensive.

Amendment agreed to.

Oriental rugs:

Sir HENRY DRAYTON: It is proposed to reduce the tax of 20 per cent on Oriental rugs and to treat them as we are treating antique furniture and china. I therefore move to strike out this item from paragraph (b) and to insert it at the end of paragraph (aa).

Amendment agreed to.

Gold and silver handled pocket knives and pencils.

Sir HENRY DRAYTON: I beg to move to insert after the word "knives" the words "fountain pens."

Mr. EULER: Does the minister think fountain pens are a luxury?

Mr. FIELDING: Gold and silver-handled fountain pens.

Mr. McMASTER: There is a possibility of misunderstanding here. It might be construed from the item as it is worded that the gold and silver apply to the handle of the pocket knife and not to the fountain pen. I would also suggest some other phraseology which will put it beyond doubt that it is fountain pens with gold and silver adornments which are being taxed, and not the ordinary fountain pen, which is used largely by students as well as other people.

Sir HENRY DRAYTON: It covers the ordinary pen. If this item were not here the gold-nibbed pen would be taxable, under subsection (c), 50 per cent of its value.

Mr. McMASTER: I must protest most energetically against this tax. I do not suppose that there is any body of men and women in the country who use fountain pens more continuously than students, and there are no people for whom the Minister of Finance should have greater regard than those young men and women who are preparing themselves for their life's work. I therefore protest, I repeat, most energetically against taxing ordinary fountain pens. Those that are manufactured outside of the country pay substantial duties coming in, and to regard ordinary fountain pens as a luxury is, with all due respect to the minister, the height of absurdity.

Mr. FIELDING: If the minister wishes to tax pens with gold mountings and decorations I heartily support him, but I do not imagine that he could have intended to tax the ordinary fountain pen which is so widely used to-day. I trust he will reconsider his view on that point if he does intend to include such pens in the list of taxable luxuries.

Sir HENRY DRAYTON: Perhaps we could revise the item to read:

Gold and silver-handled pocket knives and gold and silver-mounted fountain pens and pencils:

Now, subsection (c) provides a heavier tax on:

Articles of gold not otherwise provided for in this resolution adapted for household or office use.

Gold pen nibs are adapted for office use, and I therefore suggest adding at the end of that clause the words "except gold pen nibs" so as to put the questions beyond all doubt. Pens are not subject to that heavier tax.

The CHAIRMAN: Before we reach that subsection, we shall dispose of the amendment in subsection (b). Sir Henry Drayton moves that the words "gold and silver-handled pocket knives and pencils" be replaced by the following item:

Gold or silver-handled pocket knives and gold or silver-mounted fountain pens or pencils.

Mr. GLASS: It seems to me that this imposes an unnecessary hardship and it also gives rise to some confusion. An ordinary Waterman pen may have a very small gold band around it and may be sold at an ordinary price, say $3.50. Now, no doubt the intention of the minister is to restrict extravagance and to tax those who desire to buy gold-mounted pens largely for their ornamentation. Why not apply the same method here as is adopted, with other items in the schedule, and fix a limit of price? For instance, you might say fountain pens not exceeding $3.50 or say $5, above which price they might be held to be a luxury. Certainly, the ordinary Waterman fountain pen to-day costing $5 is not a luxury. There are some pens that are gold-mounted and ornamented that run up to $15 and $25, and I would suggest that beyond $5 this article might be classed as a luxury that should bear a tax. Under the schedule as it is now, if a pen merely has a band of gold around it, though it may be an ordinary pen of not any great value, it is taxable. If there were a limit of price there would be no misunderstanding and the tax would depend on the sum that was paid for the pen.

Mr. PROULX: Most fountain pens have holders attached, either gold or silver, and

I am afraid they would be considered to be ornamental.

Mr. FIELDING: Why not adopt the suggestion of the hon. member (Mr. Glass) and fix a limit? That would probably meet all that the minister has in mind, while it would exclude the ordinary fountain pen.

Sir HENRY DRAYTON: I think perhaps it may be best to add at the end of the section a further item dealing specifically with fountain pens "fountain pens in excess of $5." That would leave the former item as it was before: "gold and silver-handled pocket knives and pencils."

The CHAIRMAN: Where is the proposed item to be inserted?

Sir HENRY DRAYTON: It might come in after the pocket knives and pencils. That would be the most appropriate place for it.

Item agreed to.

Curtains, including tapestry curtains, in excess of $7.50 each.

Sir HENRY DRAYTON: I move that this item be taken from the 20 per cent class and transferred to the 10 per cent class. That makes the tax only 10 per cent.

Resolution agreed to.

Chandeliers, except for churches.

Mr. McCOIG: Has the minister considered the fact that there are many people in humble circumstances who are contemplating the establishing of homes at the present time and who are anxious to obtain their furniture, etc., at reasonable prices? In view of the high cost of all materials to-day in every direction, the minister might put such a rate on chandeliers as would meet with general approval. If the minister would put a reasonable rate on chandeliers it would meet with general approval.

Sir HENRY DRAYTON: I propose a complete re-consideration of that item and I think notice was given of it.

The CHAIRMAN: Notice was given that resolution No. 3 would be amended.

Sir HENRY DRAYTON: That has to do entirely with this question of chandeliers. In the meantime perhaps we can go on to other sections and deal with this particular item when we come to the point where it can be inserted.



Articles commonly or commercially known as jewellery, whether real or imitation, for personal use or for adornment of the person.

Mr. FIELDING: I ventured to offer the suggestion the other day that the minister might very properly make a distinction between the various grades of jewellery. I do not want to speak of "cheap" jewellery, because that conveys an impression of something that is trashy. But there is an expensive class of jewellery which is a luxury, and there is a class of jewellery used for the adornment of the person which is not a luxury. I ventured to suggest to the minister the other day that a gold wedding ring is not a luxury, nor is an engagement ring. The minister ought to draw a distinction between expensive jewellery which is clearly a luxury, and jewellery of an inexpensive character which is part of the ordinary, shall I say, things of life to a young lady. I do not think we should impose a tax which would treat all jewellery for the adornment of the person as a luxury.

Sir HENRY DRAYTON: The matter is specifically dealt with in the amended resolutions which were placed in Hansard but I do not think my hon. friend had the opportunity of looking at those proposals. Jewellery, as a rule, is sold by jewellers. But because it is not always sold by them, but is sometimes sold by other people, it is necessary to retain these specific taxes which we have provided for and which the committee has been considering. But in so far as the jewellers themselves are concerned, it is proposed that they may not pay these taxes unless they desire. It is proposed that they may obtain a license and not pay the specific taxes on these articles but pay ten per cent on the whole of their turn-over. The amended proposition is:

Cigar and cigarette holders and pipes in excess of $2.50 each; cigar and cigarette cases; ash trays and match-boxes of gold or silver, humidors, and smoking stands; hunting and bowie knives; gold and silver-handled pocket knives and pencils, and gold fountain pens; gold, silver and ivory toilet ware; articles of silver not otherwise provided for in this resolution adapted for household or office use; silver or gold deposit ware; articles commonly or commercially known as jewellery, whether real or imitation, for personal use or for adornment of the person.

Now that is the subject we are dealing with, and with the re-capitulation pratically of all the specific jewellery taxes that have been applied on gold and silverware, things

usually sold by the jeweller. Then we go on:

> Any person, firm or corporation, including the jewellery branch of a departmental store whose chief business is the selling of jewellery by retail, shall obtain a special license to sell jewellery and other articles specified in this resolution, in which case the tax payable shall be 10 per centum on the value of the total sales of such establishment or branch, under regulations to be made by the Minister of Customs and Inland Revenue.

So that in conncetion with all jewellery there will be no specific tax.

Mr. FIELDING: The last resolution takes it out of the twenty per cent class?

Sir HENRY DRAYTON: Takes it out entirely and out of the 50 per cent list. It places it all in the hands of the trader to do what he likes; but recognizing the undoubted underlying fact that jewellery shops are, to a very large extent, luxury shops, a tax of ten per cent is put on the whole. Now I think there ought to be some exceptions made in that turn-over. The exceptions are—and I am putting them in because they are sold particularly by the smaller jewellers and in competition with other people—stationery, not embossed stationery, but regular ordinary stationery; books, because many of them sell books; glasses—eye glasses, optical goods, spectacles. I should say spectacles and eye glasses, because I do not think that expensive mother-of-pearl opera glasses and that sort of thing should be excepted, but rather the turn-over in the case of ordinary spectacles and eye glasses. Stationery, books and magazines should be exempt from this turn-over. They can withdraw that amount of their activities from their total turn-overs. Then there are cameras. I think they should also be deducted because in the case of cameras the manufacturer has to pay, under these resolutions, a royalty of ten per cent, so that cameras have already paid this tax. Therefore cameras should be deducted and another article which is also sold by them, gramaphones and gramaphone records. Because gramaphones have also to pay a tax, the jeweller's ten per cent on his turn-over should not in my opinion include gramaphone sales.

Mr. EULER: In the case of umbrellas and parasols, which are frequently sold by jewellers, what will the tax be?

Sir HENRY DRAYTON: They will pay the full ten per cent on the turn-over.

Mr. HAROLD: Do I understand from what the minister has said that tobacconists who sell humidors, cigar cases and so come under that 20 per cent clause? Will they be charged a 20 per cent tax, while the jeweller will only have to account for a ten per cent tax? These articles would be naturally sold, I would say, much more by a tobacconist than by a jeweller. In case I am wrong in my conception of the application of this taxation, I would like to have the point cleared up.

Sir HENRY DRAYTON: The extent of the taxation is, so far as the public is concerned, just as the hon. gentleman points out. Everything is made taxable in the jeweller shop with the exception of the few cases that I mentioned, whereas there is no tax at all on the great majority of things tobacconists handle. The jeweller will have to pay this ten per cent. He pays on the whole thing just as it seems to him fit to do in the proper discharge of his business, and I do not think that any hardship is really thrown on the tobacconist. He is actually getting off much easier than the jeweller.

Mr. FIELDING: At what stage—I suppose it will be a matter of regulation—will this tax be paid by the jeweller; semi-annually?

Sir HENRY DRAYTON: We are thinking of making it payable monthly.

Mr. FIELDING: At all events it would have to be done by regulation?

Sir HENRY DRAYTON: Yes, by regulation and license.

Mr. ARMSTRONG (Lambton) I am sure the jewellers will appreciate the concession granted by the minister, but there is one question I would like to ask him and it is this: On the stock which the jewellers have on hand to-day they have already paid the 7½ per cent war tax on goods coming from the United States, and paid a 10 per cent tax to the manufacturer or wholesaler, making 17½ per cent in all on the goods that they now have in stock. Is it the intention of the minister to collect that 10 per cent on goods now held by the jeweller?

Sir HENRY DRAYTON: Yes.

Mr. ARMSTRONG (Lambton): In addition to the other tax?

Sir HENRY DRAYTON: Yes.

The CHAIRMAN: Is there any amendment on this particular item?

Mr. LOGGIE: I would like to draw the attention of the minister to the words,

"whose chief business is the selling of jewellery."

The CHAIRMAN: There is as yet no amendment before the Chair concerning "the chief business of selling jewellery." Consequently the Chairman is at a loss to know what the hon. member is discussing.

Mr. LOGGIE: It is part of the amendment.

The CHAIRMAN: I understood that the amendment did not come in at this stage. Will the hon. minister please say where this amendment is to be inserted in place of the words "articles commonly or commercially known as jewellery"? Or is it to be added to those words?

Sir HENRY DRAYTON: We are not striking those words out at all, Mr. Chairman. I do not know that it really matters very much where this amendment is inserted. I think myself that it ought to form the subject matter of a separate section but it would be easier to insert it at the end of the section we are now considering, section (b).

The CHAIRMAN: Shall the last item of section (b) be carried before we consider this?

Mr. PARENT: I notice that "articles commonly or commercially known as jewellery" are taxed at the rate of 20 per cent. I understand that it is the intention of the minister to tax the turn-over at 10 per cent.

Mr. FIELDING: This item should be struck out.

Sir HENRY DRAYTON: No.

Mr. LOGGIE: Mr. Chairman, as I understand the situation—

The CHAIRMAN: Shall this item carry, "articles commonly or commercially known as jewellery, whether real or imitation, for personal use or for adornment of the person"?

Mr. LOGGIE: No, Mr. Chairman; I have something to say on that item, if you will allow me. Notwithstanding the explanation of the minister, I do not like the idea of that section being adopted. But first I want to draw his attention to what seems to me to be an anomaly. By a subsection he proposes to grant a license, he has told us, to jewellery stores, or to departmental stores that have a jewellery branch; and any country departmental store that sells jewellery may receive a license subject to a tax of 10 per cent. But if it should be contended that jewellery is not their chief business, it would seem to me that a question might arise whether they are entitled to a license. For example, I carry in my mind's eye at the moment several country stores whose chief business would not be jewellery, but they would have a show-case of jewellery on the counter and, if you like to so describe it, a small jewellery branch.

Mr. PARENT: Cuff links.

Mr. LOGGIE: I want to draw the minister's attention to that anomaly so that he may provide for a country store receiving a license to sell jewellery subject to the 10 per cent tax.

Mr. ARMSTRONG (Lambton): The regulations will cover that.

Mr. LOGGIE: I do not know how regulations can run counter to what is in the Act. I am not very sure that it is right to go into a jewellery store and pay 10 per cent on a certain article on which in another store you would have to pay 20 per cent. The minister tells us the reason is that the jeweller is paying a 10 per cent tax on all his stock. I admit there is some force in that circumstance, but I confess that I do not like the idea of this differentiation. A merchant who may not have a jewellery establishment may have some items of jewellery among his stock, for instance, cigar-holders and pipes. A man buys a pipe in a certain store and pays 20 per cent duty on his purchase, while in the next store he may be able to purchase a similar pipe and pay only 10 per cent duty. I do not know whether this can be overcome, but I am just drawing it to the minister's attention in the hope that he may be able to do away with this anomaly.

Mr. HAROLD: By my previous remarks I do not wish it to be understood that I am desirous of making things hard for the jeweller. In fact I think that the proposal to bring the tax down to 10 per cent is a very good one. But I must say that I do not believe that the proposition to have a flat rate of 10 per cent for jewellers is going to work out in practice. I agree with the former speaker (Mr. Loggie) in the illustrations he has given. Many tradesmen throughout the country handle jewellery as a side-line, for instance, stationers, fancy goods dealers and others. Now, if a jeweller in a large centre is to be charged only a 10 per cent rate on jewellery, and the trades-

man in the small town is to be charged 20 per cent on similar jewellery that he handles as a side line, you are going to handicap the latter in his business, and I do not think that is the desire of the Government. I would suggest that the item be transferred to the 10 per cent section, and that no special license be necessary for jewellers.

Mr. PEDLOW: I think the suggestion made by the member for Brant (Mr. Harold) is absolutely fair. In addition to the classes of business mentioned by the member for Northumberland (Mr. Loggie) handling jewellery as a side line, I might mention gents' furnishing stores. It is an advantage to men going into such stores to be able to get cuff links and similar articles, but if a duty of 20 per cent is imposed on these articles when sold as a side line instead of 10 per cent when sold in jewellery stores, it will be a most unfair discrimination in favour of the latter. I think the suggestion of the hon. member for Brant is a good one and should be adopted.

Mr. GLASS: I also am strongly of opinion that this discrimination will create a great deal of bad feeling throughout the country. I think the suggestion of the member for Brant would meet the difficulty. It does seem entirely inconsistent that two men doing business side by side, the jeweller probably handling certain lines that are handled by his neighbour the tobacconist, should be treated in this way, one having 10 per cent and the other 20 per cent imposed on sales of similar articles. I realize the difficulty that confronts the minister, but I am confident that this discrimination if permitted will create a great deal of dissatisfaction throughout the whole country. It is something that cannot be supported as fair; it is an unjust discrimination which will be resented. The proposal of my hon. friend (Mr. Harold) would be an easy way out of the difficulty and would possibly not materially affect the amount of taxes realized.

Sir HENRY DRAYTON: This is a nasty question; it is a difficult thing to get at. I suppose that really it depends upon which way you look at it. If we want to raise revenue, that is one thing; if, on the other hand, we want to be quite sure that the incidence of this taxation will be right in every single instance, why, we would never put on any taxes of this kind. Now, here is the great trouble in connection with luxury and jewellery taxes. The tax on jewellery is so easy to evade that so far no very great amount has been raised in luxury taxes upon it. These taxes are not a new thing in this country; we are supposed even now to have luxury taxes on jewellery. I suppose not many hon. gentlemen know that there is such a thing, unless they were actually engaged in considering these sections when they went through. But there is a luxury tax on jewellery at the present time.

Mr. LALOR: In Canada?

Sir HENRY DRAYTON: In Canada; I am not at all surprised that the hon. member knows nothing about it. There is a direct tax on jewellery to-day as a luxury. We have collected very little revenue through it—I think about $732,000. From trade sources I am told that there are approximately 2,500 jewellery shops in Canada and that they do a business on the average of $40,000 a year. That makes a pretty large turn-over, about $100,000,000.

Mr. LEMIEUX: Retail business?

Sir HENRY DRAYTON: Yes. A tax of ten per cent on that turn-over is a fairly large item. I do not think that we will get the whole of 10 per cent on that amount, because the chances are that this business will fall off. But let us turn now for a moment to the case that has been suggested, the tobacconist on the one side and the jeweller on the other. The tobacconist to-day is subject merely to a few specific luxury taxes, but every single thing the jeweller handles is subject to a ten per cent tax. If we say to the tobacconist: You are paying a specific luxury tax on things which are, after all, foreign to your business; would you rather pay ten per cent on the whole amount of your turn-over? You would not find one tobacconist who would want to do it. The sale of these things by the tobacconist constitutes only a small percentage of his business. If that is not so, I would gladly put the tobacconist in the same position as the jeweller and impose a tax of 10 per cent on his gross sales. And surely it is not any hardship on the dry goods merchant to be told that if he goes into a side line which may be looked upon as a luxury, he must pay taxes on the goods in which he so deals, because another person engaged in that business has to pay ten per cent on his whole turn-over. The dealer who goes into the jewellery business as a side-line finds that the goods are subject to a 20 per cent tax in respect of the particular items while the jeweller pays 10 per cent on his whole turn-over; but

many things which jewellers sell are sold by other people without the imposition of tax. I think that all things will pretty well even up with each other. The great underlying necessity, after all, is the necessity for revenue. It does seem to me that we can better get a revenue in this way and that there will not be very much difficulty when other people understand that they can get exactly the sort of treatment the jewellers are getting if they themselves want it.

Mr. FIELDING: I appreciate the efforts the minister is making to meet the situation and also the difficulties which have been suggested, particularly the difficulty which several hon. members have suggested of having a tax rate of 10 per cent on an article in one shop and 20 per cent on a similar article sold in another shop. But can we not avoid that by making a distinction between the different classes of jewellery? Suppose we retain the wording of this item:

Articles commonly or commercially known as jewellery, whether real or imitation, for personal use or adornment of the person.

Add the words "not otherwise provided for," put that item in the ten per cent list; then repeat the item in the 20 per cent list in the case of articles of jewellery of value greater than $50. Then you have no question of discrimination between different stores; you have the same tax on a given article, no matter where it is sold, but you make a distinction between the moderately-priced article and the high-priced article which is unquestionably a luxury.

Sir HENRY DRAYTON: If the hon. member would change his value say to $2 he would then cover pretty nearly all the articles of jewellery that are carried in dry goods stores,—collar buttons and all that kind of thing. Perhaps we could make it $5 and transfer it to the 10 per cent tax, making the present item refer merely to jewellery selling at more than $5 per piece.

Mr. FIELDING: I do not know that my hon. friend has caught my point. I would make a distinction between expensive jewellery and inexpensive jewellery. Just what is the proper figure for inexpensive items may be a matter of debate. I suggested $50; make it less if you like, but make provision that the rate shall be the same no matter where the article is sold. Let there be no discrimination.

Mr. McMASTER: I do not propose to attempt to sketch in detail what the minister should do in connection with this matter, but I do say with great confidence that the minister must not tax an article at 20 per cent in one store and at 10 per cent in another. That goes to the very foundation of proper taxation. The tax must be equal; if it is upon goods, goods of the same value, wherever found, must pay the same tax. The minister speaks about the necessity for obtaining revenue. We are all with him in that but to commit a flagrant injustice in collecting revenue would in the long run defeat the very object that was had in mind.

Sir HENRY DRAYTON: Will the hon. member point out where the flagrant injustice is and who is affected by it? Is it on the jeweller, or is it on the other person who is selling cheap jewellery? We are suggesting that the other person will be willing to take the same terms that the jeweller takes; and if the injustice be on the jeweller, the matter of fact is that jewellers prefer this method because they know that, with their clerks handling the many different lines that are handled, it would be impossible to carry out the law in any other way, because things can be so easily manipulated in that business. If there be any injustice to anybody, the way to clear it up is first to define the injustice and not to talk in generalities. Who is hurt—the jeweller or the other man?

Mr. McMASTER: The other man.

Sir HENRY DRAYTON: Then the other man can have the same opportunity as the jeweller of taking out a license and paying 10 per cent on his turn-over.

Mr. McMASTER: Will the license not cost him money?

Sir HENRY DRAYTON: There is nothing in the license. He can take out a license and pay 10 per cent on his turn-over.

Mr. McMASTER: But will that turn-over include other articles than jewellery?

Sir HENRY DRAYTON: Yes. We are doing this with the jeweller, because he handles so many things which are really luxuries. He has to pay, for example, on things that may be sold by a hardware man, but he will pay the tax just the same. This tax includes the whole of his turn-over, on the theory that the articles sold are really luxuries. There is no tax on any article as such when sold by a jeweller; the tax is gone. The fact is that if you purchase something from a man who does not pay the whole 10 per cent on his turn-over, you pay a tax on that article,

but you can go to the jeweller and you will be charged no tax except what the jeweller chooses to put on, which may be a good deal more in order to cover the tax.

Mr. WILSON (Saskatoon): How does that apply to large departmental stores which carry jewellery? Will they pay 10 per cent?

Sir HENRY DRAYTON: Any person engaged in the jewellery business and in the class of articles a jeweller ordinarily handles which may not be subject to any tax at all, will, if he chooses to take out a license, be given exactly the same treatment as a jeweller.

Mr. ROSS: The minister has not put that proposition before the committee in these resolutions.

Mr. LOGGIE: The present suggestion of the minister that it will be necessary for a departmental store in a country place carrying the same articles as a jeweller would carry in a city, to take out a license, is, to my mind, impracticable. If you attempted to carry out that suggestion, you would find that stores in country places would be discriminated against, because while they might carry jewellery, they certainly would not carry many of the articles that are supposed to be carried by jewellers in cities. What I understood was that, even in a country place, any departmental store that had a jewellery department, would be entitled to get a license for whatever articles they kept that would come under this list. That is why I drew the attention of the minister to the word "chief," because this would not be the chief business of a departmental store in a small town. The minister's explanation now is that a departmental store in a small town can get a license provided that it carries the other class of goods usually carried by jewellers in large cities. That class of goods is not sold in departmental stores in small towns, and I should like the minister to consider the matter and strike out the word "chief." You could not say that Eaton's jewellery branch was the chief business that firm was engaged in.

Mr. BUREAU: What about Woolworth's five, ten and fifteen cent stores?

Mr. LOGGIE: That is another consideration altogether. Can departmental stores in small towns take out licenses to sell jewellery and everything else that they carry that is included in this list.

Sir HENRY DRAYTON: They can. There is no difficulty about that at all. That is the idea; but if they do that, they have to do it subject to regulations, and those regulations will provide that whatever they sell—they do not have to put into stock all articles of the kind that a city jeweller handles—which would ordinarily be sold by a jeweller or form part of a jeweller's ordinary business, whether it was jewellery or otherwise, would have to be included in that department, and the 10 per cent would have to be paid on all that.

Mr. LOGGIE: That would be all right.

Mr. FIELDING: What the minister proposes may be an improvement on his first resolution, but I think he has still failed to give careful consideration to the suggestion I made. Why should there be any need of a license? Why should we have to have a turn-over tax in the case of a jeweller? Why should we have any question as to difference of rates as charged on any article of jewellery in one shop or another? Why should the minister not provide that on any article up to a value of $50, say, the tax shall be 10 per cent, and if the value is more than $50, the tax shall be 20 per cent? I see no difficulty in that and if there be a difficulty, nobody has suggested it.

Sir HENRY DRAYTON: I would meet the suggestion made by my hon. friend, but to a much smaller extent in value than is suggested is too high. It kills the object of stores carrying cheap lines of jewellery, generally cheap cuff links, collar buttons and that sort of thing, just for the convenience of customers, not because they want to make anything out of the matter at all. I know I have bought things of that sort there myself. If you were to make the item read:

> Articles commonly or commercially known as jewellery, whether real or imitation, for personal use for adornment of the person, at a price not exceeding some nominal sum, perhaps $2, $3, $4 or $5.

The case would be met as regards that particular part of the trade.

Mr. PEDLOW: $2.

Mr. FIELDING: One cannot buy much except trash in a jewellery shop for $2.

Mr. LALOR: The tax of 20 per cent as suggested is too high. It kills the object of the resolution: first, it kills the business of the man who is handling the goods, because he will find it difficult to sell goods which are subject to a 20 per cent tax and, second, revenue will not be obtained because the business will be killed. If the tax were lower, the hon. member's suggestion would be better.

Mr. GLASS: The difficulty that presents itself is as regards discrimination, and another way of meeting that difficulty is worthy of consideration. There are in the schedule a few items on which a higher duty is imposed than that imposed upon jewellers. The list, which is enumerated, is not a very large one. Certain of those articles are ones which a jeweller invariably carries, for instance, fountain pens, pencils, humidors, etc. which are really foreign to his business although he has a perfect right to carry them. Why cannot a tax of 10 per cent be imposed upon the jeweller except on items otherwise specified in the schedule which bear a higher rate and which he may carry in stock? A jeweller would have no difficulty in keeping track of sales made of humidors, fountain pens, pencils, etc. In that way the difficulty would be got over. No matter how much we may apologize for or try to explain the difficulty Parliament is supposed to surmount difficulties, and you cannot call it a just or sound principle to impose a different rate of taxation on two stores side by side selling the same articles. If it is not possible for the minister to meet this difficulty now, I would suggest that the item be postponed for further consideration, for trouble is bound to arise from any such discrimination as is here proposed.

Sir HENRY DRAYTON: I beg to add after the word "person" in this item the words "in excess of five dollars," and also to add to sub-paragraph (a) the item:

Articles commonly or commercially known as jewellery whether real or imitation, for personal use or for the adornment of the person not exceeding $5 in value.

Mr. FIELDING: I entirely approve of this step but I think the figure is too low. You cannot buy much for $5 in a jewellery shop. If my hon. friend wants to make any concession to the average middle-class person, the figure should be more than $5. However, if that is his determination, we cannot help it.

Mr. HAROLD: I should just like to say, in view of the remarks I have made, that I am entirely satisfied with the resolutions as they now stand, which seem to me to meet the situation very well.

Amendment agreed to.

Sir HENRY DRAYTON: I beg to move to amend sub-paragraph (b) by adding thereto the following:

Any person, firm or corporation, including the jewellery branch of a departmental store whose chief business is the selling of jewellery by retail, shall obtain a special license to sell jewellery and other articles specified in this resolution, in which case the tax payable shall be 10 per centum on the value of the total sales of such establishment or branch, under regulations to be made by the Minister of Customs and Inland Revenue.

[Mr. Lalor.]

Amendment agreed to.

(c) A tax of fifty per cent on:—
Articles of gold not otherwise provided for in this resolution adapted for household or office use.

Mr. McMASTER: What are these articles of gold not otherwise provided for? A fifty per cent tax is almost prohibitive, and it would be interesting to know just what this item covers.

Sir HENRY DRAYTON: Solid gold plate, for instance, gold dining services, solid gold boxes.

Mr. FIELDING: Do you expect to get much revenue from that?

Sir HENRY DRAYTON: None I think, but the tax may prevent some gold being used in that way.

Mr. PARENT: If you reduced the tax to 10 or 15 per cent you would have a chance of getting some revenue, but with the 50 per cent tax you will get none at all from this source.

Mr. BUREAU: It is to prevent gold being used for these purposes, not to raise revenue.

Mr. PARENT: Would not this be the proper place to provide that wedding rings shall be excepted?

Sir HENRY DRAYTON: There is no reason in the world why that should not go in, and I have pleasure in moving to add the words "except wedding rings."

Amendment agreed to.

Mr. FIELDING: Engagement rings too?

Sir HENRY DRAYTON: I am afraid I cannot go as far as that.

The CHAIRMAN: Shall sub-paragraph (c) carry?

Sir HENRY DRAYTON: With the amendment which I have suggested, "not including gold pen nibs."

At Six o'clock the House took recess.

## After Recess.

The House resumed at Eight o'clock.

## PRIVATE BILLS.

### SECOND READINGS.

Bill No. 164 (from the Senate), for the relief of John Durose.—Sir Sam Hughes.

Bill No. 170 (from the Senate), for the relief of Edith Ellen Holmes Austin.—Mr. Mowat.

Bill No. 171 (from the Senate), for the relief of Ethelbert Gilmour Harris.—Mr. Arthurs.

Bill No. 172 (from the Senate), for the relief of Albert Ernest Wice.—Mr. Boys.

Bill No. 173 (from the Senate), for the relief of Peter Sutherland Cowie.—Mr. Mowat.

Bill No. 174 (from the Senate), for the relief of Roy Bradley.—Mr. MacNutt.

Bill No. 175 (from the Senate), for the relief of Joan Doran.—Mr. Mowat.

Bill No. 176 (from the Senate) for the relief of Alexander Ross, Junior.—Mr. Mowat.

Bill No. 177 (from the Senate), for the relief of Jean Mary Sandford.—Mr. Porter.

Bill No. 179 (from the Senate), respecting the Colonial Investment and Loan Company.—Mr. Mowat.

Bill No. 181 (from the Senate), to incorporate the Great West Bank of Canada.—Mr. Cowan.

## SPECIAL WAR REVENUE.

### EXCISE TAX RESOLUTIONS CONSIDERED IN COMMITTEE OF WAYS AND MEANS.

House again in Committee of Ways and Means, Mr. Boivin in the Chair.

The CHAIRMAN: When the committee rose at six o'clock it had under consideration paragraph (c) of the first resolution to amend the Special War Revenue Act, 1915. Shall paragraph (c) carry?

Mr. RINFRET: I must point out to the Minister of Finance (Sir Henry Drayton) that by imposing a tax of 50 per cent on all articles of gold "not otherwise provided for" he is taxing very heavily gold medals that are given by colleges, schools and other institutions by way of reward to pupils. I do not think it is the intention of the minister to tax these articles, and I fancy it must have escaped his attention. I would therefore ask him to reconsider the item, and possibly amend it so as to except from its operation these gold medals.

Sir HENRY DRAYTON: In view of the general tax on jewellers of ten per cent of the turnover, as suggested, I think my hon. friend will see that the medals, which are always made by jewellers, will not be affected at all.

Mr. RINFRET: Does the minister think that these gold medals should even pay a tax of 10 per cent?

Sir HENRY DRAYTON: I think that the jewellers might very well pay 10 per cent of their turnover. It is a very moderate tax.

Item agreed to.

The CHAIRMAN: We shall now take the new paragraph (d) containing the amendments suggested this afternoon by the Minister of Finance:

(d) That the following excise taxes be imposed, levied and collected on so much of the amount paid for any of the following articles as is in excess of the price hereinafter specified as to each such article:—

A tax of ten per cent on,—

Carpets and rugs in excess of $6 per linear yard, twenty-seven inches in width.

Mr. DOUGLAS (Strathcona): I would ask the minister to explain just how he is going to designate the size of a rug. The designation is by the linear yard in the case of carpets, but in the case of rugs it should be square yards. Should there not therefore be some designation of the size of rug in the item?

Sir HENRY DRAYTON: The linear measurement with respect to rugs is twenty-seven inches just as in the case of carpets. The measurement will be, in width 27 inches, by the yard.

Item agreed to.

A tax of fifteen per cent on,—

Boots, shoes, pumps and slippers of any material (not including shoes or appliances made to order for persons having a crippled or deformed foot or ankle, or to top boots not less than twelve inches in height such as are used in lumbering, mining and fishing industries, or to river driving boots fitted with caulks on soles thereof) in excess of $9 per pair;

Sir HENRY DRAYTON: There is one thing that I should cut out in deference to the suggestions made by hon. gentlemen. My object in the whole of this scheme of taxation is to see that the necessary objects of these proper industries are not taxed. I would therefore move that the words, "fitted with caulks on soles thereof"—which is a limitation on river-driving boots—be excised so that the clause would read, "or to river-driving boots," without the addition, "fitted with caulks on soles thereof."

Mr. CALDWELL: I thought I understood the minister to say this afternoon that he reduced the legs of miners' boots from twelve to ten inches.

Sir HENRY DRAYTON: That is a matter in regard to which I was perfectly willing to meet the suggestions of hon. mem-

bers. I therefore move that the height be ten inches.

The CHAIRMAN: The item now reads as follows:

Boots, shoes, pumps and slippers of any material (not including shoes or appliances made to order for persons having a crippled or deformed foot or ankle, or to top boots not less than ten inches in height, such as are used in lumbering mining and fishing industries, or to river driving boots) in excess of $9 per pair.

Amendment agreed to, and item as amended agreed to.

Cloth overcoats, men's, boys' women's and misses; in excess of $50 each.

Mr. PEDLOW: I think I called the attention of the committee this afternoon to the fact that for suits, either for ladies or gentlemen, more material is required to make a suit than to make an overcoat. Consequently I cannot understand why the price in excess in the case of overcoats is made higher than the price in excess in the case of suits. We know as a matter of actual experience—bearing in mind the labour, trimmings, and the yardage of material—that it costs more to make a suit of clothes from the same class of material than it does to make an overcoat. Consequently I would think that if these prices were reversed it would be more correct. However, I would be in favour of the proposition being the same in the case of both suits and overcoats.

Sir HENRY DRAYTON: It was felt that for overcoats people have to have heavier cloth—cloth with more wool in it—even if there is actually less yardage. Wool is worth so much per pound, and we thought that was not an unfair addition.

Mr. PEDLOW: The explanation seems to be reasonable but it does not work out in practice. As a matter of actual experience overcoats and suits are very often of the same material. So far as regards expensive linings, I know as a matter of fact that linings are in either case according to the judgment of the customer or of the tailor and may or may not be the same value; but taking it all around I think in actual experience the value of the finished garment in either case would be about the same. I would suggest that the minister make a change and have the prices in both cases the same—either $45 for suit or overcoat or $50, as the case may be. I would suggest $50 as a compromise.

Mr. JACOBS: I have not the amended resolutions before me, but do I understand that women's coats and men's coats are fixed at $50 beyond which the excess tax comes into play? It seems to me some sort of relief ought to be given in the matter of women's coats. In the case of these garments we have to make allowance for the fact that the fashions change almost overnight. They have to be provided with furbelows, ribbons, buttons and things of that kind, so it is almost impossible to secure women's coats for anything under $50. It seems to me that if a man's coat is sold for $50 there ought to be given at least a little leeway for the woman's coat, and it should start at $60. Otherwise this Parliament will be under the imputation of enacting man-made laws.

The CHAIRMAN: Shall the item carry?

Mr. JACOBS: I would like to have the minister's views on this matter as it seems to me the point I have raised deserves some consideration.

Sir HENRY DRAYTON: Consideration has been given to the superior case of the ladies in making their suits $60 as against men's suits at $45. When, however, it comes to an ordinary overcoat which is for the purpose of keeping them warm we think we should get just the same amount and that is what is put in.

Item agreed to.

Dresses, women's and misses', except silk, in excess of $45 each;

Mr. PROULX: I would like to see the exception as to silk dresses eliminated. I do not think there should be any discrimination. If you are going to discriminate it will increase the price of cotton and other materials.

Mr. LOGGIE: I would like to draw the attention of the minister to the fact that he has made no provision for ladies' silk dresses. In the case of wool dresses he has put the price at $35, and $15 for the skirt; but there is no provision made for dividing a silk dress—that is so much for the skirt and so much for the coat. Inasmuch as the minister is making a division for garments made from woollen materials, I think it would perhaps be fairer that he also make a division for garments made of silk. I endorse the views of the hon. gentleman who has just sat down. I cannot see why there should be a discrimination against garments of the same price made of silk; if we were placing a higher value on silk garments, I could understand why the difference should be made.

Mr. PROULX: I move that the words "except silk" be struck out. I think we should look after the interests of the women. They are not represented in this Parliament.

An hon. MEMBER: They will be soon.

Mr. PROULX: If we accept the statements made, the women are more heavily taxed than the men. I move that the words be struck out.

Sir HENRY DRAYTON: This matter was discussed this afternoon.

Mr. GAUVREAU: It is a waste of time.

Sir HENRY DRAYTON: We look upon silk as a luxury, as something that is not good for all-the-year-round wear, and we are thinking of people who are buying clothes for use all the year round. That is why we have not got silk dresses dealt with separately. All silk garments are taxable.

Mr. LOGGIE: I do not quite concur in what the minister has said.

Some hon. MEMBERS: Order.

Mr. LOGGIE: He speaks of silks as being a luxury, and yet he is exempting silk ribbons up to 60 cents a yard.

Mr. PROULX: I move that the words "except silk" be stricken out.

An hon. MEMBER: You have no seconder.

The CHAIRMAN: It is not necessary for the hon. member to have a seconder. If he is going to strike out the words "except silk," he is placing silk dresses in the class which is subject to the payment of taxes, and he is accordingly moving to impose a tax on silk dresses. A private member has no right to move the imposition of a tax, and I must therefore declare his amendment out of order.

Mr. PROULX: Mr. Chairman, I understand that if those words are stricken out all silk dresses will be taxed. I want to put silk dresses on the same plane as other dresses.

Item agreed to.

Suits, women's and misses, except silk, in excess of $60 each.

Mr. LOGGIE: Over what value will the tax be on a silk overskirt?

Sir HENRY DRAYTON: The tax applies on all silk manufactured garments whether they be overskirts or anything else.

Mr. LOGGIE: As I understand—

Some hon. MEMBERS: Order.

Mr. LOGGIE: The question I want to ask—

Some hon. MEMBERS: Order.

Mr. COPP: Mr. Chairman, we could not hear a word of what the hon. gentleman was saying, and we do not know whether he was referring to overskirts or not.

Item agreed to.

2. That the excise taxes as imposed by the preceding resolution shall be paid by the purchaser to the vendor at the time of sale for consumption or use, or on importation for consumption or use other than for re-sale, in addition to the duties of customs already imposed, and by the vendor to His Majesty in accordance with such regulations as may be prescribed.

Mr. ROBB: In my judgment this clause will add very considerably to expense of collection, for according to the minister's statement this afternoon there are 200,000 retail merchants in Canada, and therefore an army of clerks will be required to check up sales, and even then I question very much if the minister will be able to keep strict tab on all business. I was going to suggest that he adopt the stamp system of collecting these taxes. The import duties will be collected by the customs house officers at the port of entry. Then the tax on the retail sales made over the counter could be paid by means of stamps affixed to the article sold, and in that way you would make every customer an inspector to see that the taxes are paid. On bills of exchange our bankers are compelled to affix a stamp, and surely they are able to take care of business as well as our retail men. That system having been adopted by the Government in connection with bills of exchange and also in connection with proprietary medicines, it seems to me that the minister might well extend it, for it will collection, and at the same time it will also save our retailers a great deal of expense and trouble.

Mr. PEDLOW: I was going to make exactly the same suggestion. If that plan be adopted it will eliminate the necessity for retailers using triplicate cheque books, and it will save their time and the time of the Inland Revenue Department. The many trifling sales will make the method proposed under the schedule very costly. The adoption of the plan suggested by the hon. member for Huntingdon (Mr. Robb) will also assure the Government the payment of the taxes before they are really due; that is to say, the retailers in every case would have to keep on hand a supply of inland reve-

nue stamps to cover their business requirements, and no great hardship would be imposed on our retail trade. I assume that merchants would not be averse to investing a reasonable amount in inland revenue stamps to be used in this way. The effect would be to simplify matters very materially and to reduce the cost of collecting the money.

Sir HENRY DRAYTON: If it is a plan which we can work out I think we ought to adopt it because it would make the collection of the tax easier for the retail merchant, and we ought to make his burden as light as possible, so long as the principle of the legislation is not lost sight of. This resolution does not say whether the payment is to be made in cash or in stamps. We hope to be able to work out a stamp system which will look after the whole thing; we propose to take power in the Bill to provide for the issue of stamps for this very purpose. I desire to amend the section by adding after the word "re-sale" the words "on the duty paid value".

Mr. PEDLOW: With regard to the application of the words "or use other than for re-sale", may I ask whether goods bought by dressmakers from departmental and other stores for re-sale will be exempt?

Sir HENRY DRAYTON: The underlying idea is that only one luxury tax should be paid, and that the only exception should be in the case of goods imported for the purpose of re-sale. I do not know how it would work out in the case my hon. friend mentions; that is something which, perhaps, we should provide for in the Bill. I shall be pleased to consider the point raised by my hon. friend.

Mr. PEDLOW: When the dressmaker sells the finished garment she is supposed to value it as a whole for taxation purposes. If she pays the tax when she buys the material from the merchant, the tax would have to be paid a second time when the garment was sold,—either that, or the garment would evade the tax altogether.

Mr. PARENT: Do the words "duty paid value" mean value in Canadian money?

Sir HENRY DRAYTON: Yes.

Amendment agreed to, and resolution as amended agreed to.

3. That the following excise taxes be imposed, levied and collected on the articles hereinafter specified, namely:—

(a) A tax of ten per cent on:—

Boats, yachts, canoes and motor boats. Provided that on satisfactory proof being furnished that these articles will be used only for trading or commercial purposes a refund of the amount paid under this resolution shall be granted;

[Mr. Pedlow.]

Mr. CAMPBELL: I wish to point out that prospectors and others who buy canoes usually take them away immediately into the north country or wherever they are going and it is an unnecessary hardship to ask them to pay the tax at the time of making the purchase and then wait an indefinite length of time for a refund. I suggest that it would be a more satisfactory arrangement if proof of use for trading or commercial purposes could be furnished at the time the article is purchased, so that the transaction may be completely closed at that stage. I do not see that there would be any objection to that. Am I right in assuming that "trading or commercial purposes" would include prospecting?

Sir HENRY DRAYTON: This tax is entirely on the manufacturer. I do not think it will make any difference so far as the purchaser is concerned.

Mr. ARMSTRONG (Lambton): Does this apply to boats already contracted for?

Sir HENRY DRAYTON: It would apply to any boats undelivered on the 19th of May.

Mr. DUFF: I should like to make a suggestion the adoption of which would greatly simplify this provision. In the business in which I am directly interested, many boats and motor boats are required, and if the minister allows this resolution to pass as it stands, he is going to impose a great hardship upon a number of men who live in out-of-the-way places,—not only manufacturers but men who purchase these boats. Perhaps the minister is aware that in the different fishing settlements, not only on the Nova Scotia coast but on the New Brunswick coast, the Gaspé coast and also the Pacific coast, there are men who are known as boat-builders. Such a man may get an order for one boat, a dory of 20 feet in length, or a small boat of the same length, but of a different pattern, or a motor boat of small size intended for fishing purposes, or a large boat intended for off-shore fishing. These boat-builders are situated sometimes on islands and other out-of-the-way places along the different coasts. They are not boat-builders in the ordinary sense of the term; they are not business men, and they keep no accounts. A man may come to one of them and ask him to build a dory or half a dozen dories, and when the contract is completed, the man comes and pays the

amount and no account is kept of the transaction. The minister could simplify the matter very much if he would amend the clause to read:

Boats, yachts, canoes and motor boats for purposes of pleasure.

I think that would cover what the minister wants, because I understand that the only people from whom he intends to collect the tax are people who buy these boats for purposes of pleasure. I would respectfully suggest to the minister that if he would amend the clause to read in that way, he would save a great deal of trouble and annoyance to men who eke out their living by building boats.

Mr. McGIBBON (Muskoka): I should like to endorse the sentiments of my hon. friend (Mr. Duff) and the hon. member for Nelson (Mr. Campbell). The object of this tax is to collect money from those who buy boats, canoes and motor boats for pleasure, not from those who intend to use them for legitimate business purposes. As very hon-member knows, such boats are absolutely necessary for carrying on certain lines of business, and it is a wrong principle to tax that class of individuals.

Mr. FIELDING: I hope the minister will be able to consider favourably the request of my hon. friend (Mr. Duff). I have in my constituency several concerns engaged in building boats for commercial purposes, although they build boats for pleasure purposes as well. The minister may say that a refund can be made, but that is going to be exceedingly inconvenient. For example, a fisherman who buys a boat from one of these builders would have to pay the tax and then wait for some months to get his money back on account of the red tape which is always connected with such work. Thus, he would feel that quite a hardship was imposed upon him. There may be some objection which I do not see to the suggestion of my hon. friend, but I think it will meet with approval if the tax is collected from pleasure boats and not from boats devoted to industry.

Sir HENRY DRAYTON: I should like very much to meet the suggestion, because all I want is to collect taxes on boats used for purposes of pleasure; but I am afraid, if we were to leave the resolution in that way, only commercial boats would be bulit in Canada, and, therefore, it is necessary for us to keep our hand on the matter. As pointed out by my hon. friend (Mr. Duff), the incidence of the tax arises as a result of contracts being made for building boats. Therefore, when a man got his contract, he would know whether he was building a pleasure boat or a commercial boat, and no hardship would be imposed upon him if he were to write to the department and say that he was building a commercial boat and not a pleasure boat, and in that event, he would not have to pay the tax. I can quite agree with what my hon. friend (Mr. Fielding) says as regards the inconvenience in getting one's money returned; but as it takes weeks and sometimes months to build a boat, there would be ample time to furnish proof to the department that the boat was being built for commercial purposes, and thus the man would not be put to the inconvenience of asking for a refund. I would suggest that the clause be changed so that it will not apply to boats built for trading or commercial purposes.

Mr. TRAHAN: What about canoes?

Mr. FIELDING: The remainder of the clause should be striken out.

Sir HENRY DRAYTON: The clause might read:

Provided that on satisfactory proof being furnished that these articles will be used only for trading or commercial purposes the tax will not be collected.

Mr. DUFF: How does the minister intend to get the necessary satisfactory proof from all parts of Canada on every boat that is built?

Sir HENRY DRAYTON: I would think a cetrificate from any reputable citizen would be sufficient.

Mr. DUFF: If the minister intends to bother every reputable citizen in my town—

Sir HENRY DRAYTON: The hon. gentleman will know the boat-builders, and I have no doubt they are reputable citizens he is speaking for.

Mr. DUFF: Absolutely.

Sir HENRY DRAYTON: I have no doubt it will be quite easy for them to send in their certificates, and that will be sufficient. Should any doubt arise in the mind of the department, it is very easy to check the matter up; a local collector could easily look after the matter, and no trouble would arise so long as we provide that the tax shall not be paid on boats used for trading or commercial purposes. I entirely agree that the tax should not be collected if satisfactory proof is given that a boat is to be

used only for trading or commercial purposes.

Mr. FIELDING: The minister's suggestion that the clause shall read: "The tax will not be collected"—is simply putting in another form the suggestion of my hon. friend (Mr. Duff). What is the objection to saying that the tax shall be collected simply on pleasure boats? A fisherman may, of course, occasionally go off on a pleasure trip with his boat; but for all practical purposes it is used for fishing purposes, and the distinction between a pleasure boat and a fishing boat is well understood in the community. Therefore, if the minister will accept the suggestion of my hon. friend, there will be no difficulty at all.

Sir HENRY DRAYTON: I agree that a fishing boat used on occasion for pleasure will still remain a fishing boat; but the hon. member will appreciate the fact that if we say that the tax shall be collected only on pleasure boats, and leave the matter at that, there is no check; the door is left wide open. If on the other hand we say that the tax is not to be charged on boats to be used for trading or commercial purposes, we shall have a check on the matter. I will strike out the word "only" in order to meet my hon. friend's point, because I do not wish to take any technical objection against fishermen; as long as a boat is an appropriate boat for fishing purposes and in the main is used for that purpose, it does not matter how much the boat is used for pleasure purposes.

Mr. EULER: What would be done in the case of a boat built for fishing purposes and shortly afterwards transferred to be used for purposes of pleasure?

Mr. DUFF: I am afraid the minister in making this suggestion is not quite consistent. First, he told me, in answer to a question, that if he adopted my suggestion, all boats which would be built would be commercial boats, and in that way he would not collect any tax; but shortly afterwards, when I asked how he intended to get satisfactory proof in regard to this matter, he said that he presumed all builders of boats were responsible or reliable men. If they are responsible or reliable citizens, they are not going to sell pleasure boats and call them commercial boats. So the minister's argument falls to the ground. There is a distinct difference between commercial and pleasure boats. No man can get a pleasure boat built for him and call it a commercial boat, because there is a distinction between the two which the builder and the owner cannot get over. Therefore, instead of running around getting some man to certify that the boat which he built for John Jones was a commercial boat or a pleasure boat, I think it would be more businesslike if the minister adopted some such simple suggestion as I have made which covers the ground absolutely and would avoid all trouble.

9 p.m.

Mr. FIELDING: I think what the minister now proposes will accomplish almost exactly the same thing. He proposes to say that boats for commercial purposes shall not pay the tax. He is not going to call for a certificate from anybody. He will leave those words out, I take it. It is to be a matter between the tax collector and the builder.

Mr. McGIBBON (Muskoka): I would urge the minister to adopt the suggestion of the hon. member (Mr. Duff) and restrict the tax to pleasure boats only. Let us make it definite and positive so that there will be no doubt about it. We do not want to tax a boat that a man is going to use in making his living. I think the suggestion of my hon. friend offers a very simple way out of the difficulty.

Mr. NICHOLSON (Algoma): There is a large class of boats that I think, some hon. members are losing sight of altogether. On the inland waters of this country, I believe, there are half a dozen canoes to every motor boat or any other type of boat. The manufacturers of these canoes make identically the same canoe for commercial and pleasure purposes, and ship them out in carload lots to different parts of the country. Perhaps half are purchased for commercial purposes and the other half for pleasure. The manufacturer pays the tax without any idea whether the canoes he ships are going to be used for pleasure or commercial purposes. In the district where I live these canoes are bought by prospectors for running the rivers and lakes, and by the Indians for trapping purposes. As many of them are used in that way as for pleasure, and the boat is identically the same.

Mr. DUFF: My hon. friend says that in his district identically the same canoe is used for commercial purposes as for pleasure, but I think other hon. gentlemen know that the canoe for commercial purposes is built much stronger than the pleasure canoe and is not so well painted or fixed up. I am sure that in other districts

there is a very great difference between the two canoes, and anybody who uses canoes will bear me out.

Mr. NICHOLSON (Algoma): I would undertake to say that the Chestnut Canoe Company of New Brunswick ships into Ontario and the West thousands of identically the same kind of canoe, a large number of which are used for commercial purposes and a large number for pleasure. The man who wants a canoe for pleasure purposes decorates it himself if he wants it decorated. The same is true of motor boats to a very large degree. Many motor boats that are manufactured for pleasure purposes are afterwards used for commercial purposes, and vice versa.

Mr. CAMPBELL: I wish to endorse the statement of the hon. member for Algoma East (Mr. Nicholson). Canoes are shipped into Northern Manitoba from companies down East by the carload. There is a certain class of canoe known as a "freighter" about which there would not be any difficulty at all, but there is another class that might either be used for pleasure or for trade, by a prospector, for instance. There is no difference in the make-up of these canoes, and there would be great difficulty in determining to which class they belonged.

Mr. EULER: Does this apply only to new boats as they come from the builder, or will it apply also in cases of transfer? A man might buy a boat for commercial purposes to-day and a week afterwards transfer it to a man who is going to use it for pleasure, and in that way evade the tax.

Sir HENRY DRAYTON: If frauds of that kind were being perpetrated, appropriate measures would be taken. I think perhaps hon. gentlemen will see from the discussion that has taken place the difficulty of dealing with this matter except in the way I have proposed, with the modification I have proposed. It is perfectly clear that the very same boat can be used for commercial purposes and for pleasure, and you cannot tell from the design or anything else for which purpose it is going to be used. The question is this: Are pleasure boats to be exempt? That is all that it comes down to in connection with this luxury tax. Are yachts, canoes and motor boats to be exempt because although they are pleasure boats, they may be used for commercial purposes? I wanted to meet the objections made by hon. gentlemen, and it seemed to me that I did meet them absolutely when I said that we would charge no tax whatever on a boat that was manufacturel for commercial purposes. I think it would be impossible to deal with the matter in any other way.

The CHAIRMAN: Will the hon. minister repeat his amendment?

Sir HENRY DRAYTON: I strike out the word "only" in deference to what my hon. friend from Shelburne and Queen's (Mr. Fielding) says. I move to amend the first item of paragraph (a) of resolution 3 by striking out the word "only" in the second line of said item and also the words "a refund of the amount paid under this resolution shall be granted" and substituting for the latter the words "the said tax shall not be collected."

Amendment agreed to.

Mr. COCKSHUTT: The word "sale" is not mentioned in this paragraph at all, although I understand that the tax is to be collected when a boat is transferred from the manufacturer to the purchaser.

Sir HENRY DRAYTON: If my hon. friend will look at resolution No. 4 he will find that it provides that these taxes shall be payable at the time of sale.

Mr. COCKSHUTT: Is this going to apply to second-hand boats which are resold? It would not appear from a reading of the clause that it does, but a very large business may be done in second-hand boats which are at present in possession of individual owners. In order to evade the tax or for some other reason a great many people will buy second-hand boats, and under this clause I do not find anything as to whether second-hand boats which are transferred from their present owners to others will come under the terms of the Act. I should like to know if they will, or if this only applies to new boats bought from the builders. A further point: As has been pointed out, many boats are used for pleasure only, but boats that are used exclusively for business purposes might be employed by their owners on Sunday or on some special holiday for pleasure. Would such a use be regarded as a violation of contract, as the minister understands the situation? The public would want to know whether they were violating any confidence if boats which were acquired as commercial boats were occasionally, on holidays or Sundays, used for pleasure. I know the minister does not desire to be harsh with people, but in the clause I cannot find any exception in that regard.

Sir HENRY DRAYTON: In regard to the first point, this is a tax on the builder who makes the boat; it does not apply to second-hand boats. In answer to the second point, the word "only," on the request of the hon. member (Mr. Fielding), has been struck out, so that a boat may be used for pleasure purposes so long as its real purpose is a trading and commercial one.

Mr. McGIBBON (Muskoka): Will an affidavit from the manufacturer be sufficient to designate the purpose?

Sir HENRY DRAYTON: I do not think it need go as far as an affidavit. I see no reason why people should pay commissioners for taking oaths in this matter, which is one that can easily be checked.

Mr. GOULD: I see no provision made for a tax on a new industry which is very much in evidence in this country at the present time. We have aeroplanes, which are absolutely commercial conveyances, and the manufacturers expect to do a much larger business in the future than in the past. I think that provision should be made for taxing all aeroplanes or air boats, if you prefer to call them so, and I would direct the minister's attention to the fact that no such provision exists.

Item agreed to.

Candy and confectionery.

Sir HENRY DRAYTON: I desire to move an amendment to this item. As it stands, the tax would apply to children's candy, the small, little one-cent sweets. I do not know how you would deal with those unless you made them two cents instead of one cent, and in any case I do not suppose that hon. members would like to do that. There is something else to which the tax applies at the present time and to which I suppose hon. members would rather not have it apply. Under the customs rulings, when a cake has icing on it it becomes a confection, and I confess that was news to me; I did not think we were taxing cake as confection. I therefore desire to move that the words "candy and confectionery" be struck out and that the following be substituted therefor.

Confectionery which may be classed as candy or a substitute for candy; (this item not to include goods packed ready for sale in cartons or other packages bearing thereon the name of the manufacturer, selling by retail at 10 cents or less per carton, or to candy known as "gross goods" selling by retail at one cent each.)

Mr. DOUGLAS (Strathcona): If candy was shipped by a manufacturer to wholesale and storage houses before this regulation went into effect, will it bear the new tax? I have received a letter from a manufacturer of candy in which he makes the statement that he is being put to considerable loss by reason of the fact that large consignments of candy are exempt from the tax while he as a manufacturer is compelled to charge the tax on all goods which he manufactures and which may go out of his store from now on. Perhaps he is under a misapprehension in this regard and I should like an explanation from the minister.

Sir HENRY DRAYTON: The tax is merely on the manufacturer, and if any retailer has a large amount of stock on hand he is just that much ahead. So far as the manufacturers are concerned, they are all in the same position; and they are also all in the same position as regards former sales; they made those sales without having to pay the tax.

Mr. DOUGLAS: Suppose a manufacturer has two or three carloads of confectionery in Western Canada and ships it for storage to be sold afterwards. Is he exempt in that case?

Sir HENRY DRAYTON: He would be taxable because he would be only holding the candy in storage the same as if it were on his premises. He will be taxable on everything that had not been actually delivered on the 19th of May.

Mr. PEDLOW: What about the manufacturer who makes his own candy and sells it over the counter? Will he have to pay the manufacturer's tax in addition to the excise tax?

Sir HENRY DRAYTON: He will have to pay the tax as a manufacturer, and the excise tax.

Mr. McKENZIE: We cannot hear anything up here and we should like to know what the amendment is.

Mr. EULER: The answer given by the minister to the hon. member for South Renfrew (Mr. Pedlow) was not quite clear to me and I should like him to say exactly what tax will be paid by the manufacturer who sells his own product over the counter. Does he pay anything more than the one per cent sales tax?

Sir HENRY DRAYTON: In addition to his ordinary sales tax as a manufacturer, when he becomes a retailer he will have to pay the 10 per cent luxury tax under this clause.

Mr. SIMPSON: I would like to know if the tax applies to the manufacturer when he sells his own product to his employees, or—as is the practice with some manufacturers—when he sells to large corporations such as hotel companies and so on. When the manufacturers make such sales will they be liable for the sales tax as the retailers are?

Sir HENRY DRAYTON: This is a tax on the manufacturer. No matter how much he sells, or whether he sells to a wholesaler, to a large hotel, or anybody else, the whole tax is payable.

Mr. McKENZIE: I wish to bring to the notice of the minister the fact that I do not think molasses candy, which is manufactured in many stores and placed on sale by them, can be regarded as a luxury. The minister gave us to understand all along that this was a luxury tax; but molasses candy and similar sweet stuffs manufactured out of molasses or sugar—manufactured perhaps in some shop or store, as is the case in my part of the country—certainly cannot be regarded as a luxury. The poor man who on Saturday night wants to gladden the heart of his children by taking home a pound or two of cheap molasses candy is undoubtedly not to be classed with the rich man who purchases his dollar or two-dollar box of candy. I am quite willing that the man who is able to buy such high-priced candy should be taxed; but I am opposed to putting a special tax on a man who must be content with taking a pound or two pounds of cheap molasses candy home to his children. That is certainly not a luxury; and with such a tax as is proposed that man will not be able to buy this candy at all. If molasses candy is taxed on some other ground I can understand it, but I cannot understand the minister taxing it as a "luxury," and I protest against it.

Mr. COCKSHUTT: May I ask the minister whether maple sugar, maple cream, and other manufactures of maple will come under the heading of "candy and confectionery"?

Sir HENRY DRAYTON: I take it that all manufactured maple products would be taxed just the same as any other candy, whether it be maple cream, maple buds, chocolate cream, or anything else.

The CHAIRMAN: Shall the item carry?

Mr. McKENZIE: No, it is not carried. If the minister does not give an answer to a question put by me in a reasonable matter of this kind he is not going to gain any time by it. I have already said that the pound or two of molasses candy that a man may bring home to his family is not a luxury; and if this House is assembled for the purpose of taxing the wealthy man in the matter of luxuries, it is operating in a very small way by taxing the little parcel of molasses candy that the labouring man may wish to buy. I submit to the minister that molasses candy is not a luxury; and if he is following this man to the point of taxing the pound of candy he has in his pocket he is not taxing a luxury but is departing altogether from that idea of a luxury tax. I think it is my privilege and my right to know from the minister why—after fifty-three years of national existence during which time we never thought of taxing molasses candy—it is now proposed to advance that commodity to the position of a luxury and tax it 10 per cent. When, as a member who represents a large class of working people, I ask why these people should suffer from an imposition of this kind the minister complacently remains seated and is apparently beyond making any reply. I want to tell the minister that he will hear from me on many matters of the kind, and I expect to be treated respectfully.

Sir HENRY DRAYTON: I hasten to reassure the hon. member that not for a minute did I intend any disrespect toward him. I would like to point out to him that a lot of questions are levelled at me and there was not much opportunity to answer his question when interrogations were coming from so many other quarters. If I have hurt the feelings of the hon. member I desire most humbly to apologize and to assure him how sorry I am.

Mr. McKENZIE: I want no sarcasm from the minister.

Sir HENRY DRAYTON: I beg my hon. friend's pardon?

Mr. McKENZIE: I want the tax off the candy; I want no sarcasm.

Sir HENRY DRAYTON: I assure the hon. gentleman that I am giving him no sarcasm. I shall try, I trust, to do my full duty to him just as much as to any other hon. member.

Mr. JACOBS: You are giving him taffy.

Sir HENRY DRAYTON: No, nor "molasses pull." The hon. gentleman is entitled to—

Mr. BUREAU: Taffy.

Sir HENRY DRAYTON: No; a fair answer to a fair question. In the first instance I would like to point out to him that this is a tax upon the manufacturer. He pays the tax just the same as he used to pay the tax on the molasses he used to make into molasses candy and kisses. I would further point out to the hon. member that while it is perfectly true that no exception is made in the rates, the present scheme of taxation under the amendment which has been submitted practically exempts cheap sweets. After all, what it amounts to is that on a pound of sweets costing, it is said, 40 cents—I do not know exactly what molasses candy costs, but I think my hon. friend is quite right in saying they are cheap, probably they cost only 30 cents—but on a pound of, say, 30-cent sweets all the manufacturer is called upon to pay is 3 cents.

Mr. SINCLAIR (Guysborough): I agree with the views of my hon. friend from North Cape Breton (Mr. McKenzie) that it is not advisable to tax the cheapest kind of candy known as taffy. I would therefore suggest that the minister amend the item by adding the words:

Candy and confectionery in excess of 50 cents per pound.

That would leave the cheapest kind of candy free and would tax the candy that may be regarded as a luxury. What does the minister say?

Sir HENRY DRAYTON: I am afraid not.

Item agreed to.

Chewing gum or substitutes therefor.

Sir HENRY DRAYTON: A similar question comes up here as in connection with the cheap kinds of sweets. Chewing gum is very largely used,—why I personally cannot understand, but it is very popular. The machines used for making chewing gum are wonderful,—they cut the slices and fold the parcels without the intervention of the human hand; and I find that, on the one hand, it is impossible to cut down the size of the package, or, on the other hand, to do anything in respect to this tax, so far as the manufacturer is concerned, except to leave it as it is and thereby very largely increase the price of the gum. I propose therefore, in view of the conditions which, as investigation demonstrates, attach to this chewing gum business, to reduce the tax to 3 per cent. So that the item will read:

[Sir Henry Drayton.]

A tax of 3 per cent on chewing gum or substitutes therefor.

I would suggest that those words be placed after the word "namely," making them paragraph (a). I shall have other amendments to move in the same direction, so I will not ask you, Mr. Chairman, to re-letter the 10 per cent line yet.

Mr. LEMIEUX: I do not know why you should be so considerate about chewing gum. I think gum chewing is one of the most vulgar habits that exists in this country. Recently I read an article, written by a gentleman who had resided for several years in Brazil, describing how the gum was collected and treated, and he added, "If the people only knew what enters into chewing gum, they would not touch it with a ten-foot pole." However, it is served in restaurants and in candy stores, and our people have copied what is purely an American habit, for in every civilized country of Europe you never see a man, much less a woman, chewing gum. I have heard that when the "Sammies" were crossing the Atlantic "to win the war" a young lady having asked General Pershing what comforts she should collect for the Sammies, he replied: "For Heaven's sake suppress gum for the soldiers, because they will see the nice French girls, and those girls will probably copy the habit of chewing gum, and then they will change the brightest smile in the world into the most awful grimace." Well, Mr. Chairman, to be serious, I do not know why the duty is reduced on chewing gum. I would increase it fifty per cent.

Mr. JACOBS: I am not particularly interested in the chewing-gum policy of the Government, but as a matter of personal information I would like to know what is a "substitute" for chewing gum?

Mr. BUREAU: Chewing the rag.

Sir HENRY DRAYTON: No, I do not think it could be the sustitute suggested by the hon. gentleman. I believe chicle is supposed to be the real chewing gum, but that other gums apparently work just as well for chewing and are largely used. I do not know that there is anything particularly significant in the word.

Item agreed to.

Firearms, shells or cartridges for use other than for militia purposes.

Mr. JACOBS: I would suggest that we add after the word "militia" the words "or police."

Sir HENRY DRAYTON: I do not think my hon. friend is really of opinion that the policeman should do much firing with "firearms, shells or cartridges." I am sure the amount of firing would not be very much, and I know he is not in sympathy with that kind of policeman.

Mr. JACOBS: Policemen use firearms occasionally.

Sir HENRY DRAYTON: So occasionally that I should not think it worth while to make an exception.

Item agreed to.

Pianos and organs (other than pipe organs); musical instruments not otherwise provided for in this resolution.

Sir HENRY DRAYTON: Mr. Chairman, I am compelled to offer an amendment in connection with that item, to the end that the tax should be lowered on the cheaper but thoroughly good grades of organs and pianos, which are built very largely for sale to those classes of the community that cannot afford to buy the higher-priced instruments. I propose to move that the tax on pianos not exceeding $450 be reduced to 5 per cent—the effect is to leave the tax on pianos valued at over $450 at 10 per cent and to reduce the tax on pianos not exceeding $450 to 5 per cent—and that the tax on organs not exceeding $150 be reduced to 5 per cent, 10 per cent to be paid on organs costing more than $150. The present exemption in connection with organs is confined to pipe organs, the idea being to exempt church organs. We find, however, that many churches cannot afford to use pipe organs, so it is proposed that the exception read "other than pianos and organs for religious and educational purposes."

Mr. RINFRET: I would ask the minister to exempt from tax all orchestral and band instruments. The orchestral instrument is not a luxury; nobody would think of buying a trombone or an oboe as an ornament for his parlour. These instruments are necessities to many men who use them in connection with their profession. They are bought in the United States; a very large customs duty is paid on them when they enter Canada, and the rate of exchange adds another ten to thirteen per cent, so that the instruments are brought up to a very high price. They are as necessary to the musician as technical books are to the professional man, and I would ask the minister to exempt them from tax.

Sir HENRY DRAYTON: In recognition of what the hon. member has pointed out, we have cut the tax in two. The original provision was ten per cent; now we make it five per cent.

Mr. RINFRET: I thank the minister for his concession, but I still hold the view that these articles should be exempt from taxation and I ask the committee to have them struck off the list.

Sir HENRY DRAYTON: The representatives of the interests involved, the players' organizations, were quite content, after the situation had been pointed out to them, to accept the five per cent tax.

Mr. DUFF: There is a great deal in what my hon. friend (Mr. Rinfret) says. In Nova Scotia we have a number of what are called local bands. These bands do not collect fees; the people in the town or country districts help the bandsmen to buy their instruments and arrange to look after them during the year. It does seem to me that in the case of local bands especially there should be no tax upon these instruments.

Mr. ARMSTRONG (Lambton): I would like to urge upon the minister the desirability of not taxing these musical instruments. In almost every town and village in the country you will find a small band organized for the purpose of entertaining the citizens, and it would not be well to place a tax upon the instruments which they use.

Sir HENRY DRAYTON: Well, the number of brass instruments that are purchased is extremely limited, and under the circumstances I am willing to consent that band instruments be excepted. To that end I move that the words "other than band instruments" be inserted after the words "musical instruments" in the item.

Mr. VERVILLE: The people who play in local bands in small villages and towns do not do so in order to earn their living, but in large cities like Toronto and Montreal a great many persons earn their living as musicians, playing at theatres, concert halls, etc., during the afternoon or evening. Is it fair to put a tax on the instruments which they use?

Mr. EDWARDS: The same argument might apply to a man who was buying a pair of boots; he finds it necessary to have boots in order to make a living. I do not think there is much in the point raised by the hon. member; it might apply to any of these items. I think that the minister has

been very generous in his consideration of the requests of hon. members on this item.

Mr. VERVILLE: I admit that you have to wear boots in order to make a living, but musicians also have to wear boots. That is not the point at all. If the tools used by mechanics and tradesmen are exempted, there is no reason why musical instruments used by persons who make their living as musicians should not also be exempted.

Mr. McMASTER: May I say a word in response to the argument advanced by my hon. friend (Mr. Edwards)? There is a distinction to be drawn between boots and musical instruments. Although it is hard to find them, there are boots under $9 upon which no tax has to be paid. The minister has very kindly given way on the question of band instruments; but is it not a little illogical to free the blaring trumpet and to retain the tax upon the flute and the violin?—the latter thought by some to be the finest vehicle of expression of musical composition. The minister, in the desire to further the culture and artistic life of the country, should free from any of these luxury taxes orchestral as well as band instruments. The point made by the hon. member for St. James (Mr. Rinfret) and the hon. member for St Denis (Mr. Verville) that orchestral instruments are the tools by which some men earn their living appears to me to be of the strongest character, and I would respectfully urge upon the minister that logic, common sense and a desire to advance the artistic life of this country should all combine to lead him to agree to free both orchestral and band instruments

While I am on my feet I should like to make this suggestion. I think this 5 per cent which is now placed upon pianos and organs should apply also to paragraph (c), mechanical piano players, graphophones, phonographs, talking machines, etc., and the argument that I would bring forward in support of my contention—but perhaps I am anticipating the minister.

Sir HENRY DRAYTON: I have a suggestion to make in connection with that.

Mr. FIELDING: I thought, as a good Scotchman, the hon. member for Brome (Mr. McMaster) was rising for another purpose. I want to know what the minister is going to do with regard to bagpipes.

Mr. BUTTS: Any Scotchman knows what to do with them.

[Mr. Edwards.]

Mr. RINFRET: I wish to thank the minister for his action in regard to band instruments, but I would urge that he extend that amendment to orchestral instruments, because the same reason applies to both.

Sir HENRY DRAYTON: There is quite a distinction between bands on the one side and orchestras on the other. Bands are very largely composed of people who volunteer their services; indeed, some hon. gentlemen, when they wanted band instruments to be made free, urged that point—that these bands are composed of people who play for nothing in order to help out their little municipality or their regiment. On the other hand, as a general rule, a man working in an orchestra plays both day and night.

Amendment agreed to.

Item, as amended, agreed to.

Gas and electric light wall brackets, in excess of $3 each;
Gas and electric light fixtures, in excess of $3 each, not elsewhere specified.

Sir HENRY DRAYTON: This comes up in connection with the item of chandeliers which has already been referred to and which was allowed to stand because changes were going to be made in it. I move:

That the words "Chandeliers except for churches" be struck out of paragraph (b) of resolution 1 and the following be inserted in resolution 3:
Chandeliers, except for churches, in excess of $12 each;
Wall brackets, in excess of $3 each;
Gas and electric light fixtures, not elsewhere specified, in excess of $3 each.

That covers the chandelier for the poor man's house, which hon. gentlemen were speaking of at different times in the debate.

Mr. EULER: But $3 is rather a low figure for a wall bracket. I do not believe a wall bracket can be bought for that sum, and I would suggest that the figure be made somewhat higher.

Sir HENRY DRAYTON: The hon. gentleman will see that this is a manufacturer's price, and I have no doubt that 50 per cent would be added to that for the retailer.

Mr. GLASS: To avoid possible misunderstanding or ambiguity in the clause, I would ask the minister, what is the definition of a chandelier. For instance, an electric fixture that may be suspended from the ceiling with three lights might, under the ordinary definition, be an electric chandelier and exempt up to $12, and yet a wall fixture or other character of fixture would have an exemption of only $3.

Sir HENRY DRAYTON: As I recollect the matter, a chandelier is defined as a fixture hanging from the ceiling and having two or more branches. Some people would, I think, say that it should have three lights in order to make it a chandelier; but it seems to me that that was not the important thing about it; that the point was that it was more than a drop light; that it illuminated the room from the ceiling. A chandelier as we use it here is a fixture for lighting a room from the ceiling as distinguished from a wall bracket.

Mr. GLASS: That is just where the incongruity comes in. You have a three-light fixture from the ceiling exempted up to $12, and yet the poor man who wants to put a small bracket on his wall has an exemption of only $3.

Sir HENRY DRAYTON: As regards the cheap wall bracket, on going into the matter with manufacturers, I find that one can be got for $1.50. I take it that when the hon. member says "poor man," he means somebody who wants to get a bracket as cheaply as he can. Just as much leeway is given on $3 to the side light as there is on $12 to the centre light. Of course, much more lighting can be got from the centre than from the side; it is more economical to have lighting from the centre.

Item agreed to.

The CHAIRMAN: Will the minister please say how the following item has been disposed of?

Pianos and organs (other than pipe organs); musical instruments not otherwise provided for in this resolution.

Sir HENRY DRAYTON: It remains with the 10 per cent tax.

The CHAIRMAN: Will the minister kindly say how this item should read at the present time?

Sir HENRY DRAYTON: I would ask the committee to consider in conjunction with this item paragraph (c) of resolution 3, which provides for:

(c) A tax of twenty per cent on,—
Mechanical piano players, graphophones, phonographs, talking machines, music boxes and records used in connection therewith or with any musical instrument.

I propose to move an amendment to that. Much as we would like to get the revenue, the situation seems to be such that this tax would bring about a hardship to a number of people who have become accustomed to look upon these instruments as part almost of their everyday life. We propose to reduce the tax from 20 to 10 per cent.

Mr. JACOBS: Is that leaving it just as it was last year?

Sir HENRY DRAYTON: Yes, so far as instruments are concerned.

Mr. JACOBS: And the records too?

Sir HENRY DRAYTON: It is all the same as last year. It is practically a re-enactment. In other words, there is no increased tax on these articles. I beg to move:

—that the item pianos and organs (other than pipe organs) musical instruments not otherwise provided for in this resolution and paragraph (c) be struck out and the following be susbtituted therefor:
Pianos exceeding $450 each and organs exceeding $150 each (other than pianos and organs for religious or educational purposes) Mechanical player pianos, graphophones, phonographs, talking machines, music boxes and records used in connection therewith or with any musical instrument; musical instrument (other than band instruments) not elsewhere specified.

Amendment agreed to.

(b) A tax of fifteen per cent on,—
Automobiles adapted or adaptable for passenger use.

Mr. BUREAU: May I ask the meaning of the words "adapted or adaptable for passenger use"? A small truck, for instance, may be used for business purposes on week days, and on Sundays they may put a board on it and take a ride. Would that car be considered as adaptable for passenger use?

Sir HENRY DRAYTON: No.

Mr. BUREAU: Take another case. Electric, telegraph, and telephone companies have trucks to carry their men around to make repairs in case of trouble. These rigs are more for the purpose of carrying on the business of the company than for carrying passengers, yet they may be regarded as regular passenger cars because they have a seat and a top, and a box in the back to carry the tools. Would they be considered "adaptable for passenger use?"

Sir HENRY DRAYTON: It would depend in each case upon the particular machine. If it was a machine that any one could take out and use as a passenger machine it would be taxable. If, on the other hand, it was dedicated to a specific purpose by means of its repair equipment and the like, the mere fact that it had a seat and carried workers would not make it a passenger car.

Mr. BUREAU: It is practically a passenger car. The tools required for making

repairs are so small that they can be put in a box at the back.

Sir HENRY DRAYTON: If it was a passenger car it would pay the tax.

Mr. BUREAU: It is not used for passengers mainly but to maintain the lines in operation.

Mr. PARENT: Suppose a company distributing electricity had on one of its cars used for repair purposes the name of the company; would that be regarded as a car adaptable for passenger use?

Sir HENRY DRAYTON: I am afraid it would have to pay the tax.

Mr. COCKSHUTT: It seems to me the minister's proposal in this respect is rather an extreme one. Already there is a very heavy tax upon motor cars entering the country and they have to take out licenses in the various provinces. Now it is proposed to add a tax of 15 per cent on a car costing up to $3,000, and 20 per cent, I understand, on cars exceeding that amount. That in all will make upwards of one half the value of the car in taxes alone, and I think it will have a tendency to frustrate the getting of the revenue. It certainly looks to me pretty steep when you make a car pay 55 per cent of its value in taxes. I quite agree with the hon. member for Three Rivers as to the word "adaptable." I do not think it is a good word to use in this connection. Almost any car can be converted into a truck. Ford cars are frequently converted into small trucks for business purposes, and they can be converted back to passenger vehicles with very little trouble. I think the word "adaptable" is not the proper one to express what the minister has in view.

Mr. LALOR: Does this tax apply to domestic and imported cars?

Sir HENRY DRAYTON: Yes.

Mr. LALOR: I agree with the hon. member for Brantford (Mr. Cockshutt) that we are going to the extreme in taxing motor cars. While they are to a large extent a luxury, they are at the same time a necessity, they are becoming used so commonly now throughout the whole country. There is hardly a farmer in my part of the country that does not own and run a motor car, and the farmer is getting beyond the Ford car and using a more expensive one. Working men buy motor cars. People save their money and the most of them seem to have the ambition to own a car. It is the greatest comfort and luxury any family can have; it is a great comfort to the father and the mother and the children. I really think we are going to the extreme in taxing this class of vehicle.



Sir HENRY DRAYTON: I really thought that this tax would be considered too low, if anything. I have been receiving any number of complaints because I am not half taxing automobiles. The number of people who own automobiles is, after all, I suppose, a little less than those who do not own one. I have not one myself, so I cannot look upon the matter perhaps from exactly the same standpoint as my hon. friend. The claim has been seriously put forward by many people that automobiles practically expropriate the highways and they should therefore pay a very heavy tax. The suggestion is being made that we should not only tax them on their purchase price, which is all that we are doing, but that we should also levy a heavy tax on them per annum, as they do in England. The suggestion has been made that we should levy a tax of $100 on every automobile using the streets. It has been further suggested that we should have a special tax on very expensive cars. We are not doing these things. So far as the imported car is concerned, the tax to-day on the cheaper car this country requires, for use in the country, has been reduced.

Mr. BUREAU: The 7½ war tax was taken off.

Sir HENRY DRAYTON: Yes. Though the excise tax was increased from 10 to 15 per cent, the net result was a reduction of 2½ per cent. I think we are doing pretty well when we reduce the tax on the cheaper car by 2½ per cent, and increase the tax on the higher priced car, over $3,000, by 2½ per cent. That is the present proposition.

Mr. EULER: If we are really going to tax luxuries, I think it will be rather difficult to argue and convince the public that the automobile should not be taxed. It is to a very large extent a luxury. Does the minister propose to tax an automobile that is adapted for passenger use if that car is used for the purposes of business? Take, for example, a car used for transporting people from the station to a hotel, and which is used entirely for business purposes.

Sir HENRY DRAYTON: That would be taxed.

Mr. EULER: It seems to me that a man who is using his car as a means of getting a living should not be penalized. Such a car is not a luxury and some exception should be made.

Mr. NESBITT: The only complaint I hear in regard to the automobile is that the tax is not enough. There is a good deal of complaint about taking that 2½ per cent off imported cars, and I agree that the tax on the imported car ought to be increased instead of being reduced. There should be some special tax, the same as the provincial governments put on cars, over and above this 15 per cent. This Government should also exact a special tax of, let us say, $10 apiece as well as the 15 per cent. While I quite agree with my hon. friend from Brantford and my hon. friend who sits beside him that a great many people use cars for business purposes and that they are a great convenience to farmers, I do not know that there is any special reason why farmers should be excused from all kinds of taxes any more than the rest of us.

An hon. MEMBER: We all sympathize with the farmers.

Mr. NESBITT: Yes, so it seems. I am not complaining about the tax of 15 per cent on automobiles, and, as I said a moment ago, the only complaint I have heard from the public is that it is not enough.

Mr. FIELDING: Is not the minimum of $3,000 rather high? Of course, automobiles are all higher in price now than formerly but the cheaper automobile is no longer a luxury; it is becoming one of the comforts of life and is doing a good deal, I think, to make people more contented with farm life, which is an important fact. I suggest that the minister might make three rates. I agree that all automobiles should be taxed, but $3,000, even to-day, is a high price to pay for an automobile. The Ford car or any car of that character can be bought for less than $3,000.

Mr. NESBITT: Almost everyone wants to buy better cars nowadays. The cheaper car rattles in a couple of days' time.

Mr. FIELDING: I am not retained by the Ford Company to advertise them, but I saw the statement the other day that about one-half of the cars in America are Ford cars. Evidently they must have some virtue or so many people would not use them.

Mr. BUREAU: The best car for the money.

Mr. FIELDING: Cases have come under my personal observation where farm life has been very much improved and young people have been made content to stay on the farms by having automobiles that enable them to run into town fifteen or twenty miles away and do business and return. The automobile is no longer a luxury so far as the cheaper cars are concerned. The higher-priced cars are luxuries, and I would ask the minister to consider whether he might not reduce the minimum to meet the case of the Ford and similar cars.

Mr. McGIBBON (Muskoka): I think that cars of any description are a luxury, and I see no reason why we should differentiate between different makes. Any man who can afford to run a Ford car and pay 50 cents a gallon for gasoline can afford to pay something towards the upkeep of the country, and I agree with the hon. member for North Oxford (Mr. Nesbitt) that if there is any complaint in regard to cars it is that the tax is too light. I say that taxes should be lifted from the workingman and the poor man, and the man who can afford such a luxury as a car should be compelled to pay for it. I would suggest to the minister a graduated scale; there should be one per cent for every hundred dollars valuation of the car over a certain sum. I think that at a time when exchange is against us to the extent it is to-day people ought to be content to use Canadian-made cars, and if they want to import cars from the United States costing $2,000, $3,000 or $4,000, they should contribute handsomely towards the upkeep of the country.

Resolution agreed to.

A tax on playing cards for every fifty-four cards or fraction of fifty-four in each package; when selling at $25 or less per gross packages, twenty-five cents per pack; when selling in excess of $25 per gross package, fifty cents per pack.

Sir HENRY DRAYTON: I propose to move an amendment to this resolution. There are very much cheaper cards than those contemplated when this resolution was drawn up. There are cards that sell wholesale at as low as $12 and less a gross, and I therefore move:

That all of the words after the word "package" in paragraph (d) be struck out and the following substituted therefor:

When selling at $24.00 or less per gross packages, fifteen cents per pack;

When selling in excess of $24 per gross packages but not in excess of $36 per gross packages, twenty-five cents per pack;

When selling in excess of $36 per gross packages, fifty cents per pack.

Mr. PARENT: I presume that fifty-four cards would include what we call the

"joker" and the white card, which are not used when you play poker. I believe that with a view to evading the law some manufacturers are putting only fifty-two cards into the pack now, omitting the two I have mentioned.

Sir HENRY DRAYTON: The hon. member will see that the resolution provides for fifty-four cards "or fraction of fifty-four" in each package. Anything less than fifty-four is a fraction of the whole.

Mr. JACOBS: Will the minister tell us what the tax was before, so that we may see what change is being made?

Sir HENRY DRAYTON: The former tax was 8 cents.

Mr. JACOBS: I fear that if we persist in imposing a tax of this kind we shall drive the community into shooting craps, or shaking dice, or going on the stock exchange.

Sir HENRY DRAYTON: People will find all these things very much more expensive. After all, I do not know that there is anything that can better afford to pay a tax than cards, which provide a good source of revenue to France. She charges 2 francs flat on all cards.

Mr. JACOBS: A franc is only worth about twelve or thirteen cents.

Sir HENRY DRAYTON: It is worth just as much to the Frenchman at home as our money is to us.

Amendment agreed to.

Item as amended agreed to.

(e) A tax of thirty per cent on,—

Patent and proprietary medicines including medicinal or medicated wines, vermouth and ginger wine containing not more than forty per cent of proof spirits.

Mr. RINFRET: I understood the other day that the minister was going to reduce the tax proposed under this item?

Sir HENRY DRAYTON: A reduction is proposed in connection with the tax. This tax runs from one commodity pretty well to another in connection with patent medicines. Perhaps I should read the whole of the resolution in connection with patent medicines, and kindred taxes, because this tax of thirty per cent in a sense, runs pretty well into the tax reserved by subsection (f) which deals, of course, more with the manufactured rather than the imported article, while this particular section, as I understand it, deals with the imported article. I move:

That paragraphs (e), (f), (g), (h) and (i) of resolution 3 be struck out and the following substituted therefor:

[Mr. Parent.]

"A tax of two dollars per gallon,—

"On rum, whiskey, brandy, gin, wines containing more than forty per cent proof spirits, cordials, liqueurs and spirituous and alcoholic liquors not otherwise provided for in this resolution suitable for beverage purposes (not including alcohol used in the process of manufacturing articles of commerce in which the alcohol is destroyed and from the resultant products of which it cannt be recovered)

"A tax of thirty cents per gallon,—

"On ale, beer, porter and stout;

"On wines of all kinds, except sparkling wines, containing not more than forty per cent of proof spirits.

"A tax of three dollars per gallon,—

"On Champagne and all other sparkling wines.

"That the excise taxes as imposed by the preceding resolution shall be payable on the duty paid value in addition to the present duties of excise and customs at the time of sale by the Canadian manufacturer or when imported or when taken out of customs or excise bond, but shall not apply to such articles when exported, and shall be accounted for to His Majesty in accordance with such regulations as may be prescribed.

"That the following excise taxes be imposed, levied and collected, at the time of importation or when taken out of customs warehouse for consumption, on the duty paid value of the articles hereinafter specified, namely:—

"A tax of twenty per cent,—

"On medicinal or medicated wines, vermouth and ginger wines, and patent and proprietary medicines containing alcohol but not more than forty per cent of proof spirit.

"A tax of two dollars per gallon,—

"On lime juice or fruit juices, fortified with or containing more than twenty-five per cent of proof spirits;

"On spirits and strong waters of any kind, mixed with any ingredient or ingredients, as being or known or designated as anodynes, elixirs, essences, extracts, lotions, tinctures or medicines, or ethereal and spirituous fruit essences, not otherwise provided for in this resolution;

"On alcoholic perfumes and perfumed spirits, bay rum, cologne and lavender waters, hair, tooth and skin washes, and other toilet preparations containing spirits of any kind.

"A tax of fifty cents per gallon,—

"On lime juice and fruit juices, fortified with or containing not more than twenty-five per cent of proof spirits not otherwise provided for in this resolution."

Mr. FIELDING: How will that leave patent medicines?

Sir HENRY DRAYTON: There is a direct reduction from 30 to 20 per cent.

Mr. ARMSTRONG (Lambton): How is the tax to be collected? Direct from the retailer, or from the manufacturer?

Sir HENRY DRAYTON: It is to be collected at the time of importation, or from the manufacturer.

The CHAIRMAN (Mr. Steele): Has the minister any amendment to offer in place of (e)? That is not included in this amendment.

Sir HENRY DRAYTON: It is in the later part of the amendment. You will see a tax of 30 per cent is levied on patent and proprietary medicines including medicinal or medicated wines. That is taken in in the resolution which I have just read under the caption of "A tax of twenty per cent."

Mr. RINFRET: If I understand the amendment well, there is a reduction from 30 to 20 per cent on patent medicines. I appreciate the reduction, but I contend, Mr. Chairman, that that tax should be removed altogether. During the Budget debate I quoted the comments of the Ottawa Journal on this matter. I may say that when the minister announced that he was going to reduce the tax from 30 to 20 per cent the Journal went on and said that in its opinion the tax was still too high and gave very good reasons for it. It contended that it is the sick who are to be taxed, and especially the poorer people who are sick. It further said that patent medicines are often the poor man's substitute for profesional medical attention. I think the point made by that paper is very well taken. I will state further that this tax is imposed on the poor people when they are less able to pay it, because when they are sick their earnings are either impaired or they do not receive any at all by reason of the fact that they cannot work. The minister is taking off taxes from food. I contend, Mr. Chairman, that medicine is properly the food of the sick people and it should not be taxed at all. The alcohol that is contained in patent medicines is not a beverage, it is merely a preservative. If these medicines are found on analysis to contain more alcohol than is necessary to preserve their contents they are discarded, or if they do not contain sufficient medicinal elements they are discarded. So it is quite plain that a patent medicine cannot be described as a beverage; it is merely a food for sick people. I would ask the minister—when he comes in—to remove that tax altogether. There is no doubt the Government will lose a little revenue but that loss will accrue to the advantage of the hospitals and sick people and, I think, will not be out of place.

Mr. STEWART (Lanark): As I understand the amendment, it makes this change in the resolution as originally introduced, that the manufacturer of a medicinal preparation is obliged to pay the increased tax of $2 per proof gallon upon the alcohol that enters into the manufactured product. That means a duty of $3.30 a gallon for absolute alcohol. The tax of 30 per cent on patent medicine, or the reduced rate of 20 per cent, is a customs tax which will operate as a countervailing tax to protect the domestic manufacturer against imported remedies manufactured in the United States or any other country and not subject to the additional tax upon alcohol. The same would apply to the $2 per gallon flat tax which is afterwards provided for in the resolution, and which will apply as a customs tax upon imported medicinal preparations that do not come under the classification of patent or proprietary medicines, and upon perfumes and toilet preparations containing alcohol. In both cases the tax applies only to those preparations containing alcohol.

The position under the proposed amendment is that there is no tax upon medicinal preparations containing alcohol manufactured in Canada, aside from the tax of $2 per proof gallon, which amounts to $3.30 a gallon upon the alcohol which enters into the manufacture. I might say that the tax of $2 per proof gallon, or $3.30 a gallon upon the alcohol which enters into the product, is a very severe charge in itself, and it is in order to protect the domestic manufacturer that the tax upon patent medicines and the flat tax of $2 per gallon is put on as a customs tax or countervailing charge. In no case is there a tax upon a proprietary or patent medicine or medicinal preparation of any kind that does not contain alcohol.

In addition there is a tax exemption on alcohol where it enters into the manufacture of preparations from which it cannot be recovered. Under our Inland Revenue law to-day there is power by Order in Council—which has been exercised for years—to reduce the tax of $2.40 per proof gallon to 15 cents. Take the alcohol, for instance, used in the manufacture of Salvarsan. A large amount of alcohol is required for crystallization, in the manufacture of that remedy, and the alcohol so used comes in under a tax of 15 cents. There is quite a range of other preparations, such as chloroform, etc., where the alcohol used is lost in the process of manufacture. Under this amendment, as I understand it, where alcohol is used in the manufacture of these preparations—and, as I say, there are quite a number of them—

Mr. BUREAU: Would ether be included in that?

Mr. STEWART (Lanark): Yes. Where the alcohol is used and lost it is not subject to the tax. The necessity for that exemption

will be present to the minds of the committee when we consider that under the law as it has existed for years provision has been made in order that the Canadian manufacturer might be in a position to compete with the foreign manufacturers of these products. The same thing applies to perfume. Alcohol, which costs the manufacturers of almost all other products except those I have mentioned an inland revenue tax of $2.40, is passed for these manufacturers at a tax of 75 cents. Alcohol used in the manufacture of soap—and quite a lot is used—now comes in at 15 cents instead of $2.40.

Therefore the tax now imposed upon the manufacturer of medicinal preparations will be limited to the tax of $2 per proof gallon on alcohol. In the past the manufacturer of medicinal preparations has been forced to pay the same tax as if the alcohol were used for beverage purposes. The underlying reason is that it would be a comparatively easy matter to regulate the alcohol which enters into the manufacture of medicinal preparations where those preparations are manufactured by a pharmaceutical manufacturer, but the difficulty would be to control alcohol, suitable for beverage purposes, where it goes out into the hands of 3,300 retail druggists; and it would be manifestly unfair that those druggists should be obliged to pay the full alcohol tax—which at present is $3.95 per gallon—and in addition $3.30, or a total tax on alcohol after this amendment is passed of $7.25—the pharmaceutical manufacturer should be relieved from the additional $3.30 tax. It has been because of the difficulty of controlling alcohol where it passes into the hands of so many retail druggists that it has been thought wise that the manufacturer of pharmaceutical preparations should be placed in precisely the same position as the retail druggist. Under this amendment it seems to me that the manufacturer of pharmaceutical preparations, the dealer in them, and the people who use them, are protected as far as possible if the additional tax of $2 is to go upon ethyl alcohol.

Mr. TWEEDIE: A large quantity of alcohol is used in flavouring extracts; what about them?

Mr. STEWART (Lanark): they are in precisely the same position as medicinal preparations under this amendment. They now pay $2.40 a gallon upon the proof strength of alcohol, in other words $3.95 per measured gallon of alcohol; they will now pay an additional $2, or $3.30 per measured gallon of alcohol, which will be a total tax of $7.25. There is no other tax under the resolution against these products.

Mr. FIELDING: The hon. member for Lanark (Mr. Stewart) stated, if I am not mistaken, that there is no tax on patent medicines not containing alcohol. The amendment may make that clear, but I do not think the original resolution does, and I call the minister's attention to them.

> Patent and proprietary medicines including medicinal or medicated wines, vermouth and ginger wine containing not more than forty per cent of proof spirit.

It does not follow that they must contain some proof spirit. I think it is not over clear, and if it is intended to be what the hon. member states I think he can find general language to place that beyond doubt.

Sir HENRY DRAYTON: It is just as well to make it clear that there is no additional tax on proprietary and patent medicines as such; that any further tax is merely the result of increase of tax on proof spirits. Therefore I suggest that after the word "containing the words "alcohol but" be inserted, so that the item will read:

> On medicinal or medicated wines, vermouth and ginger wines and patent and proprietary medicines containing alcohol but not more than forty per cent of proof spirits.

Mr. McGIBBON (Muskoka): I do not see why the poor man who requires a drug that needs alcohol to dissolve it should pay a tax because he has to take that drug to get well. Alcohol is sometimes required in order that a drug may be made soluble and capable of being administered to the human system. In that case the alcohol is not a beverage; it is simply a vehicle for the conveyance of certain drugs to the alimentary tract in such a manner that they can be assimilated and, may possibly assist in curing a disease. I do not see why proprietary medicines containing alcohol should be taxed any more than those which do not. I make no request concerning patent medicines, perfume, or anything of that kind, but I do ask the minister to be generous and to cut out this provision with regard to proprietary medicines.

Sir HENRY DRAYTON: It is not a matter of what one would like to do; it is a matter of the desirability of having different rates of taxation upon alcohol in different forms. If the hon. member could show us how to overcome the difficulty I should be glad to consider the matter. But there are a large number of places where these

medicines are put up, and it would be impossible to police them. We cannot very well increase the rate on alcoholic beverages without increasing the rate on medicines in which alcohol is used.

Mr. BELAND: I share the view of my hon. friend from Muskoka (Mr. McGibbon) that patent medicines should not be too heavily taxed. They are bought largely by people who live in the country, particularly those who live a long distance from a physician; in many such cases they serve a good purpose. It would be a hardship to impose a heavy tax upon a patent medicine on the ground that it contains alcohol.

Sir HENRY DRAYTON: I suppose my hon. friend knows of that wonderful beverage known as "Tanlac," which is so widely advertised and which is supposed to make such a first-rate cock-tail, and of "Beef, Iron and Wine," which is often taken ad lib. There are many others of the kind.

Mr. BELAND: I am not familiar with the composition of "Tanlac," but none of these drugs can be sold unless their sale is authorized by the board constituted under a statute passed by this House at the last session.

Mr. STEWART (Lanark): I certainly agree that there is no logical reason why the alcohol that enters into the manufacture of a medicinal preparation should be subject to a tax any more than any other of the medicinal ingredients should. We have provided that in the case of patent medicines a board composed of eminent members of the medical profession shall pass upon the sufficiency of the medication. It has been found necessary to add to the cost of medicines every increase that occurs in the tax upon alcohol for beverage purposes. There is a real objection to this, for the reason that the tax on patent and proprietary medicines, and even on medicines that are dispensed on a doctor's prescription, comes out of people who actually require the medicine; and it seems to me that, as a matter of cold reasoning and logic, it would be far more reasonable to tax a man's oatmeal when he is in health and working and earning money than to tax his medicine when he is laid aside and his earning power has gone. The difficulty has always been to work the matter out in such a way as would permit the Government to control the alcohol. I can see quite plainly where it would be possible to control the alcohol that is used by a large pharmaceutical manufacturer in such a way as to protect the Government against the improper use of alcohol for beverage purposes. But the difficulty that arises is in treating equitably all those engaged in dispensing medicinal preparations. It would be absolutely impossible to control the handling of alcohol in the hands of 3,300 retail druggists. The reason it would be easy to control a manufacturer is that every manufacturer to-day manufactures in bond for export, because on his export trade he gets a rebate on the alcohol that enters into his product. The fact that he is so equipped, and that his premises are so laid out that he can manufacture under inland revenue supervision and that his products can be sent aside in bonded warehouses, enables the Government to keep an actual control upon the whole process of manufacture, and they are able to determine to a certainty the quantity of alcohol that enters into the manufacture of any particular product. But it is impossible to do that with the retail trade, and the difficulty that would arise in making any further concession here would be that you would be discriminating in favour of the large manufacturer as against the smaller manufacturer and the retail druggist who are not equipped to take advantage of any provision that might be made to relieve them of the alcohol tax.

Mr. DAVIS: I speak subject to correction because I have not heard the resolution very well; but one matter that was brought to my attention by a committee of the University of Manitoba was the use of ethyl alcohol in hospitals for bathing fever patients to prevent bed-sores, and for rubbing and such like. Is it possible to allow that to come in free of this $2 tax? I can, of course, see the difficulty of controlling the matter, but I should like to have the point considered by the committee.

Sir HENRY DRAYTON: I do not know that that could be covered in the present Bill. If anything were to be done in that direction—and I quite sympathize with the object the hon. member has in view—it seems to me it ought to be done by way of remission under the Audit Act, when it was shown that the spirit had been employed for the purposes indicated—direct hospital use.

Mr. McMASTER: How will these changes work out? Perhaps I can be most clear by giving a specific instance. Let us suppose that a manufacturer has invoiced, say on 3rd June, a certain parcel of patent medicine and has charged 30 per cent on this parcel. A change is being made. Suppos-

ing the customer has paid on the basis of 30 per cent. Will the customer have a right to ask the manufacturer or wholesaler to return to him 10 per cent?

Sir HENRY DRAYTON: The hon. gentleman is bringing up the question of refund. When the whole matter is reviewed, it will be found that the most practical thing to do will be not to trouble about refunds. In the vast majority of cases, you can never tell whom the refund is going to, and, further, in the larger number of transactions, the amount, as a matter of fact, is not at all serious.

Mr. McMASTER: Supposing a customer has declined to pay the 30 per cent. Would the manufacturer be complying with the law if he were satisfied to take 20 per cent now on the face of his invoice?

Sir HENRY DRAYTON: That is a point I have not considered, but offhand I should say: "No."

Mr. DAVIS: Before the matter that I have raised is disposed of, may I ask the minister whether a statute now exists that allows of a refund in such a case as I have mentioned?

Sir HENRY DRAYTON: Section 92 of the Audit Act would cover it.

Mr. ARMSTRONG (Lambton): Would the hon. member for Lanark (Mr. Stewart) be good enough to give an estimate as to the increased cost to the retailer of certain patent medicines which contain a small quantity of alcohol? Would the increased cost amount to anything worth speaking of?

Mr. STEWART (Lanark): If you take pharmacopoeia preparations—for instance, Friars' Balsam under the British Pharmacopoeia strength, this would represent an increase of fifteen per cent; iodine would advance about one-third; opium, about the same percentage. On some preparations the difference would run as much as 50 per cent.

Mr. ARMSTRONG (Lambton): Fifty per cent of an increase in the price?

Sir HENRY DRAYTON: In ordinary medicines, the difference runs to something much less than that.

Mr. STEWART (Lanark): In a large number of pharmacopoeia preparations, the quantity of alcohol is large. The difference depends altogether on the percentage of alcohol. In proprietary preparations where the percentage of alcohol is small—and notwithstanding popular opinion in that connection, in most proprietary medicines the percentage of alcohol is not high—there will be very little difference in the cost, for the reason, that undoubtedly a considerable proportion of the increased tax will be absorbed by the manufacturers.

Mr. MANION: As a medical man, may I say a word in support of the remarks of my hon. friend (Mr. Davis) and urge upon the minister the necessity of working out that section of the Act so that hospitals shall get a rebate on alcohol which they necessarily use in their duties towards patients? Everybody knows that practically all general hospitals in this country are losing money in the care of patients, and it would be a pity if such hospitals should be put to greater disadvantage by having to pay excessive prices for this alcohol.

Mr. JACOBS: The hon. gentleman seems to argue on the assumption that every person in a hospital is unable to pay the charges. I would be quite willing to agree to a proposition whereby the sick poor would be relieved from this obligation, but why should not people who can afford to pay, pay?

Mr. MANION: I am not arguing on that assumption at all. I made the remark that everybody knows that the general hospitals in this country are all losing money. My hon. friend is right in saying that it is not the private patients that cause a hospital to lose money; but the money which the hospitals get from private patients does not compensate them for what they lose on the public patients. So my hon. friend's argument does not affect the point I made.

Mr. MACKENZIE KING: Am I right in understanding that so far as these taxes are concerned they will be collected only from importers and manufacturers? What about the stock in trade? There is no taxation on that?

Sir HENRY DRAYTON: No, that is free from the tax.

Mr. PARENT: There is a point in connection with paragraph (g) that I should like made clear. Paragraph (g) provides for a tax of 30 cents per gallon on ale, beer, porter and stout. I understand that beer is used in the manufacture of vinegar, and that certain brewers have been charged with this tax on beer that was going to be converted into vinegar. I referred the case to the minister and his interpretation was that the tax of 30 cents per gallon did not apply in such a case. As there is a doubt as to the resolution as now drafted, would

the minister have any objection to adding after the word "stout" the words "for beverage purposes?"

Sir HENRY DRAYTON: I do not think there will be any difficulty over this. This is a tax on what the manufacturer sells. He is not liable—and the department has already so ruled—to pay any tax on beer which is only used for the purpose of making vinegar.

Mr. JACOBS: I wish to voice my very strong objection to this tax of 30 cents a gallon on beer. As I had occasion to remark when speaking on the Budget, it seems outrageous that we should tax the beverage of the workingman 30 cents per gallon. I notice that there is bracketed with ale and beer, wines of all kinds, that is to say, all will be taxed 30 cents per gallon. As I have already said, previous to this tax the cost of beer to the workingman was about 30 cents per gallon. With this tax of 30 cents per gallon added, the price of his beer will be raised from 5 to 10 cents a glass. In other words, you are increasing the cost of the beverage of the poor man 100 per cent. It is not the same in the case of wines, which usually retail at about $3, $4 or $5 a gallon. A tax of 30 cents a gallon on wine is only a very small fraction of the cost, and wine is mostly partaken of by other than the poorer class. Why the poor man should have his beverage increased by 100 per cent, while the rich man's beverage should be increased only 10 or 12 per cent, passes my understanding. I have no doubt the minister will be able to give the House some explanation.

Sir HENRY DRAYTON: This is a matter that we discussed on a former occasion in the House and I do not know that anything has since transpired to make me change the opinion which I reluctantly had to come to, and which did not agree with that of my hon. friend. After all, there are lots of compensations in connection with these taxes.

Mr. JACOBS: What are they?

Sir HENRY DRAYTON: It is also to be pointed out that this tax does not apply to the kind of beverage that I have no doubt my hon. friend was thinking of—near-beer, or 2 per cent.

Mr. JACOBS: We have something stronger than near-beer in the province of Quebec. This is another blow at our province.

Mr. RINFRET: I wish to endorse what my hon. friend (Mr. Jacobs) has said. I think that, instead of imposing a flat rate of 30 cents per gallon, the minister should have taxed these beverages on a percentage basis. To tax beer and wine at the same flat rate seems to me to be wrong. The tax should be on a percentage basis.

Sir HENRY DRAYTON: I would point out that the old rates were specific rates. What we have done is practically to double all the rates on liquors. We have doubled the rate on champagne and other wines, as well as on beer.

Mr. JACOBS: No. Before this tax the cost of beer to the workingman was 30 cents per gallon, and with this tax the cost will be just double, whereas the cost of wines is increased by this tax only from 8 to 12 per cent. I am sorry there was no delegation from the workingmen from the province of Quebec to wait on the minister. I notice that in all the other cases where delegations called upon him and made him see that he was quite wrong in many of his conclusions, relief was obtained, but there was nobody to look after the interests of the workingman, and he now finds his beer advanced in price by 100 per cent.

Sir HENRY DRAYTON: This workingman argument is often used when it should not be used. There has been a great deal said about beer, and it was said by gentlemen who could not be classed as workingmen. It was said by quite a number of brewers, and their representations were entitled to every consideration. Their arguments were very good. Their arguments were not directed to their dividends, but were entirely made for the workingmen. So far, the only workingmen that have said a word about this 30 cents a gallon tax on beer are those who are engaged in its manufacture, and my hon. friend (Mr. Jacobs), assisted so ably by my hon. friend (Mr. Rinfret). Apparently the workingmen are not worrying very much about it.

Mr. JACOBS: Might I point out to the minister that the American Federation of Labour are strongly against the prohibition policy in the United States and elsewhere. They feel that prohibition as applied in the United States and elsewhere, is the chief cause of unrest among the workingmen to-day.

Sir HENRY DRAYTON: I have no doubt that Mr. Gompers would be delighted to be able to get beer even with this tax on it. It was not the tax that he was talking

about, but that he could not get any beer for his men.

Mr. STEWART (Lanark): I beg to move in amendment to the amendment that there should be inserted after the word "imported" in the fifth line of resolution No. 4 the words "or when taken out of customs or excise bond."

Sir HENRY DRAYTON: There is no objection to that.

Amendment to amendment agreed to.

Amendment agreed to.

Resolution agreed to.

Sir HENRY DRAYTON: I move that resolution 4 be struck out. It is incorporated in resolution 3.

Motion agreed to; resolution 4 struck out.

5. That every person selling or dealing in the articles upon which taxes are imposed as prescribed by the foregoing resolutions may be required by the minister to take out an annual license therefor, for which license a fee not exceeding $2 shall be paid.

Mr. COCKSHUTT: In the debate that took place on the Budget it was stated that this license might be revoked or cancelled if it were found that the dealer had violated any of the provisions of the Taxation Act in any respect whatever. I am not sure whether that statement is contained in the minister's speech, but I heard it from some one, and it appears to me that this question might arise. If this power were used in any arbitrary way a merchant employing perhaps four or five hundred clerks might suddenly find himself held up on his license and entirely precluded from doing business by the fact that some one unknown to himself had made an error in not collecting a certain tax imposed among these hundreds of items embraced in these various resolutions. It seems to me that that is a question that should receive very careful consideration, and no arbitrary power should be exercised in any way in this respect. It is all right to require a license of $2, and between one hundred thousand and two hundred thousand merchants will have to pay the fee. The resolution says that those who come uner this provision "may be required" to take out an annual license; I presume the minister means "shall be required." I cannot see why the word "may" is used; I suppose we can take it for granted that the minister will exact $2 from them. I submit to the minister that it would be rather a high-handed piece of business to hold the merchant absolutely responsible all the time for all the transactions that are made by his entire staff throughout his shop or warehouse. It is a very large order in many cases, and men with the best intentions will make mistakes and be subject to lapses of memory. I have known, in the operation of the drug tax, cases where individuals have been fined $50 for the mistakes of clerks. These mistakes were not intentional, but the penalty was exacted in many cases, and I know of a few such cases in my own riding. Perhaps a small penalty might be provided. But to hold it over the head of the merchant or other vendor that if he does not live up to all the requirements of his license with regard to the hundreds of taxes we are enacting, then his license may be cancelled, is a very dangerous matter. It does not say in this particular section that this will be done, but I have heard that argument put forth; and it seems to me that the minister should so provide that a man will not be put out of business because he has been the innocent victim of a mistake or a piece of forgetfulness on the part of some of his staff. He cannot possibly exercise supervision over all their actions, and it would certainly be unjustifiable to put a man out of business if he did not comply with all the details of the Act.

Mr. PEDLOW: This paragraph reads: "Every person selling or dealing in the articles upon which taxes are imposed as prescribed." That means every clerk in the employ of a store. The clerk would be the "person selling," and I do not think that it is the intention of the department that he should be required to obtain a license. I suggest that the word "person" be struck out and the words "merchant or firm" be substituted.

Mr. LOGGIE: "Proprietor" might be better.

Sir HENRY DRAYTON: A clerk in a store is not "selling" in the sense intended in this paragraph. The person who is meant is the person selling on his own account; the clerk is merely acting as the servant of his master and will certainly not be asked to take out a license. But we want to have the section apply to persons who are not merchants, such as pedlars, for example. These people go around with packs on their backs and are neither merchants nor corporations; yet they sell and deal. We want to cover every one selling or dealing in these articles on his own account.

Mr. PEDLOW: That, I have no doubt, is the intention of the department, but it is not clearly expressed.

Sir HENRY DRAYTON: We shall undertake to see that there is no misunderstanding.

Mr. COCKSHUTT: Will the minister please answer my question? Is it intendel that the license shall be revoked or cancelled, or even suspended for a time, in case it is not fully complied with?

Sir HENRY DRAYTON: I can assure the hon. member that we have no intention to try to enforce this Act vexatiously. We must, however, have some way of properly enforcing it. We have to have some way of handling, and handling effectively, the dishonest man who will not pay. For example, suppose a man collects taxes and puts them into his pocket: he is a man that requires firm and quick handling. But there is no thought of using that power harshly. It would be absolutely wrong to lo so, and more than that, it would be extremely foolish, for thereby the whole object of the Act would be defeated. On the other hand, it seems to me that the power shoull rest in the minister to see that firms do take reasonable precautions to ensure that the public revenue is protected.

Mr. PEDLOW: Where does that penalty clause come in?

Sir HENRY DRAYTON: That will appear in the Bill.

Mr. McMASTER: I presume that in section 5 the words "foregoing resolution" apply not only to the resolutions which are contained in paragraph 3, subparagraphs (a), (b), (c), (d), etc., but to the preceding resolutions. I raise this point because the French translation uses the singular instead of the plural anl this might lead one to a contrary conclusion.

Mr. MACKENZIE KING: Am I right in gathering from the minister's remarks that it is really not his intention to ask every retail merchant to pay a fine of $2, but rather that his desire is to have the right to control certain cases where he thinks it is wise?

Sir HENRY DRAYTON: The hon. member will see that the section says "it may be required." This is one thing that business men seem to have taken to kindly, for any number of them, without being asked, have sent in applications for the license, along with the $2.

Mr. MACKENZIE KING: No doubt they felt that they were bound to have the license.

Mr. LOGGIE: Would the minister not consider making that $1? The merchants are doing this work gratuitously for the Government and if $1 would serve the purpose it seems to me it would be just as well as to ask for $2.

Item agreed to.

6. That the provisions of the said foregoing Resolution shall be deemed to have come into force on the 19th day of May, 1920, and to have applied to all goods mentioned therein imported or taken out of warehouse for consumption on and after that day, and to have also applied to goods previously imported for which no entry for consumption was made before that day.

Sir HENRY DRAYTON: I think consideration of that clause ought to stand until the Bill is down. I understand that to be the usual custom.

Mr. FIELDING: If you want to get the clause into the Bill you will have to pass it here.

Sir HENRY DRAYTON: My hon. friend is quite right, it should be dealt with now.

Mr. McMASTER: Has the minister any remarks to offer, in connection with this clause, as to when the changes that we are deciding upon to-night will come into effect? From an answer which he gave me a few moments ago I gathered that these changes would not have a retroactive effect but would come into operation now, and therefore I think he will have to change the wording of this resolution.

Sir HENRY DRAYTON: I think my hon. friend is right, but it would be merely changed so as to provide a separate date for the amendments, and the amendments do not become operative, I think, until the Bill is introduced. As I understand it, we cannot fix the dates when amendments will become operative until the Bill is introduced. I may be wrong but I am informed that is the practice.

Mr. McMASTER: May I be pardoned if I ask this: I think the minister should make a very definite and authoritative statement on this matter so that the business world of Canada should know, first of all whether they are to make refunds in view of the changes made to-night,—because demands for refunds will certainly be made; and secondly they should be advised very definitely that what was done on the 19th of May, when the resolutions were intro-

duced, stands either until to-night or until the Bill is introduced.

Sir HENRY DRAYTON: It will stand until the Bill is introduced. At present there are certainly to be no refunds; everything goes on as when the resolutions were brought down. We are changing nothing which goes into effect until the Bill is introduced.

Mr. NICHOLSON (Algoma): Is that going to be long? Because there will be very great confusion throughout the business world in connection with the commercial situation as it is now?

Sir HENRY DRAYTON: I think not.

Mr. LOGGIE: I would like to draw the minister's attention to this fact also. It has been contemplated that refunds may be made to the merchants, but I think it will be found impracticable, or almost impossible, to have the refunds made to the consuming public It would therefore seem to me that it might be fair, and in the interest of all concerned, not to make the provision retroactive—that is to say, that those amounts that have already been paid into the Treasury had better stand. Otherwise the merchants will be making a profit and the consuming public would not be able to get it back. At least it strikes me that way from what I know of the business, and of how this tax is collected, and what record there will be of it.

Resolution agreed to.

Mr. PEDLOW: Do I understand that the resolution has been carried as it appears on the record?

The CHAIRMAN (Mr. Steele): It has been carried.

Mr. PEDLOW: That is an impossible condition to impose on the country. The resolution we have been passing this afternoon and to-night cannot be applied back to the 19th of May.

Sir HENRY DRAYTON: I think we made that pretty clear. What is being settled now is only to keep ourselves in form. Nothing we have done is going to change the liability of merchants, or anybody else, to pay taxes. Everything stands as it is until the enabling Bill is brought down.

(a) That a tax of one per cent in addition to the present duties of excise and customs be imposed, levied and collected on sales by manufacturers, wholesalers, or on importations; that the purchaser shall be furnished with a written invoice of any sale, which invoice shall state separately the amount of such tax, when not included in the purchase price; that such tax must not be included in the manufacturer's or wholesaler's costs on which profit is calculated; and the tax shall be paid by the purchaser to the wholesaler or manufacturer at the time of such sale, and by the wholesaler or manufacturer to His Majesty in accordance with such regulations as may be prescribed, and such wholesaler or manufacturer shall be liable to a penalty not exceeding $500, if such payments are not made, and in addition shall be liable to a penalty equal to double the amount of the excise duties unpaid.

A good many references have been made to this turn-over tax having particular regard to lines of business in which some manufacturers and producers sell direct in some instances, and in others where they sell to wholesalers. A good many complaints have been made, particularly from the West in connection with the lumber business where one firm, perhaps two firms, that are manufacturing lumber, sell direct to the public—having sub-stations at different towns apart from their headquarters—and do not sell to wholesalers, while in the great majority of cases the sale is to the wholesalers. The wholesalers object, as also do the smaller manufacturers to this tax entirely because they say it is placing the man who sells direct to the public and not to the wholesaler in a position of advantage to the extent of 1 per cent. I propose an amendment in connection with this so as to provide that when manufacturers sell direct to the consumers, the manufacturer in that case shall pay 2 per cent instead of the 1 per cent; and that whenever the importation is direct for the purposes of consumption there again the tax shall be 2 per cent, making both arrangements even.

The amendment therefore reads:

In addition to the present duty of excise and customs a tax of one per cent shall be imposed, levied and collected on sales and deliveries by manufacturers wholesalers, or jobbers and on the duty paid value of importations; that in respect of sales by manufacturers to retailers or consumers, or on importations by retailers or consumers the tax payable shall be two per cent, that the purchaser shall be furnished with a written invoice of any sale, which invoice shall state separately the amount of such tax to at least the extent of one per cent; that such tax must not be included in the manufacturer's or wholesaler's costs on which profit is calculated; and the tax shall be paid by the purchaser to the wholesaler or manufacturer at the time of such sale, and by the wholesaler or manufacturer to His Majesty in accordance with such regulations as may be prescribed, and such wholesaler or manufacter shall be liable to a penalty not exceeding $500, if such payments are not made, and in addition shall be liable to a penalty equal to double the amount of the excise duties unpaid.

Mr. LALOR: Do I understand that in addition to the sales tax, or the tax upon imports, imposed upon the manufacturers there is to be a tax on raw materials as well?

Sir HENRY DRAYTON: No, it does not affect the matter of raw materials at all. It applies to the case where the manufacturer sells direct to the consumer instead of to an intermediary, or where the retailer imports direct.

Mr. EULER: It seems to me that in the past there has been a good deal of fault found, and a great deal of criticism passed, because too many middlemen are taking profits. If you place a tax of 2 per cent where the manufacturer or importer sells direct to the consumer, you are directly encouraging the business of the middleman. I have not very carefully read the report of the Board of Commerce, but I think they refer to the fact that the middleman does increase the cost to the consumer. It seems to me that this particular clause is designed to intensify that condition of affairs.

Mr. LALOR: This is a serious tax on the firm that sells direct to the retail trade, and I happen to be connected with such a firm. We have to charge our customers in the retail trade 2 per cent on all the goods we sell them. It strikes me that great confusion will be caused, because the wholesaler charges only 1 per cent on his sales. Now, notwithstanding the fact that the wholesaler pays 1 per cent on what the manufacturer sells to him and then charges the retailer 1 per cent, I can see that he is placed in the same position indirectly as the manufacturer who sells direct to the retail trade. But what about the customer who gets an invoice from my concern, for instance, and finds that he is charged 2 per cent, while from the wholesale merchant he gets an invoice charging him only 1 per cent, and the price probably is the same? I fear it is going to create a great deal of dissatisfaction in the retail trade. This is a pretty heavy tax. I can easily understand that the Minister of Finance is after money, and we should all realize that we must pay. But this tax is going to raise a lot of money. The concern I am connected with does a business of $3,000,000 with the retail trade; a 2 per cent tax on that turnover is $60,000 a year; and besides that we are paying a tax of 1 per cent upon all the raw materials we buy, which taxes must be absorbed in the cost of the goods. As I said before, the Minister of Finance is after money, and I think he will get it, but I am afraid there is going to be a conflict between the wholesaler and the manufacturer selling to the retail trade.

Mr. McMASTER: I want to point out to the minister just how harshly this tax will bear upon some of the poorest of our population. Woodworking mills in various parts of the country have been accustomed to sell their mill refuse—their slabs, shavings and sawdust, for firewood—

Sir HENRY DRAYTON: All fuel is exempt. Those are all looked after, I think.

The CHAIRMAN (Mr. Steele): In order to get this clearly before the committee, am I right in understanding that the intention of the Minister of Finance is to strike out paragraph (a) of resolution 7 and substitute therefor what he has just read to the committee?

Sir HENRY DRAYTON: Yes, Mr. Chairman.

Mr. McMASTER: The minister interrupted me to say that fuel was exempt. It is not exempt in the resolution which is now before us. He may perhaps intend to move an amendment, and if he does, of course, my remarks are covered.

Sir HENRY DRAYTON: Yes.

Mr. COCKSHUTT: In the classification under the heading of "merchants and wholesalers," is a manufacturer's agent included? I have had strong representations made to me on behalf of manufacturers' agents. There are a large number of them in Montreal and Toronto whose business it is to bring the wholesale handler in Canada into touch with the British manufacturer, and in some cases with the American manufacturer. Those men never handle the goods, they act purely as agents, and their commission is never more than 1 per cent, and it is often less on large transactions. For instance, a thousand tons of pig iron might be ordered, and he is the intermediary and knows exactly where to fill that order. These manufacturer's agents represent large numbers of foreign firms, and perhaps Canadian firms. I have representations from a Montreal firm particularly on this point, and I think the change the minister is making covers it, but it is rather difficult in listening to the reading of an amendment to appreciate its exact purport. But I understand that the manufacturer's agent hereafter will do what he as been doing

since these resolutions became effective,—charge 1 per cent on the invoice direct to his customer, and when the goods are delivered from the manufacturer another 1 per cent will be collected from the latter, making 2 per cent, and equalling what the member for Haldimand (Mr. Lalor) has just spoken about. It is really two different parts of the one transaction. I would like to know if that is the force of the amendment now introduced.

Sir HENRY DRAYTON: We are dealing only with the concrete case of sales by manufacturers, wholesalers and jobbers, and importations. Whether a man is selling or not depends upon the question of fact, not upon the question of his description. If the manufacturers' agents are selling on a salary undoubtedly the sale is the manufacturer's. If they are agents selling on commission undoubtedly the sale again is the manufacturer's. Selling on commission the property never is the agent's, the risk is never his. He may look after the invoicing of goods, and very often does, but as a matter fact he is merely the means through which the manufacturer is selling. If we look at it in any other way we will be regarding it as a double tax on the manufacturer and fixing another point at which the tax would be levied. We are not doing that. There are merely the two taxes. The position therefore is that if the Canadian manufacturer is working through an agent he pays, of course, his 1 per cent; if, on the other hand, the agent is working for an English manufacturer, that agent is in fact acting as importer either in his own capacity or on behalf of the manufacturer, and in that case he would pay 1 per cent. And, again, it would depend entirely upon the sale, because the tax is 1 per cent, but if he made it directly to the retailer or for consumption directly it would become 2 per cent whether imported or whether of local manufacture.

Mr. FIELDING: Will the minister explain the case of the 2 per cent?

Sir HENRY DRAYTON: That will be exactly the same as the other case. If he were to sell direct to a retailer, leaving out the usual channels of business, he would then pay the 2 per cent. In other words, we get two turn-overs on the business.

Mr. LALOR: The minister will understand the difficulty of the manufacturer who sells to the retail trade when he charges his customer two per cent. The wholesaler pays the manufacturer one per cent and he is permitted to absorb that one per cent in his cost,—to get it back from his customer in an indirect way so that the customer does not know he is paying it. A great many manufacturers to-day are selling to the retail trade, and if this provision is adopted in its present form they will indeed be placed in a very awkward position.

Mr. HAROLD: In that case the retail trade might also pass on the two per cent. A great many of them handle their goods at a very small margin and are finding considerable difficulty in absorbing that one per cent, whereas if they could hand down the two per cent the difficulty would be solved. But I rose particularly to bring to the attention of the minister an industry which should be specially dealt with in these resolutions,—the binder twine industry. Binder twine and the raw materials entering into its manufacture are on the free list. Under the present resolutions the binder twine industry will be discriminated against to the extent of nearly one per cent, and as one large institution that I know of has never paid a dividend equal to one per cent, it practically means putting them out of business. If this two per cent clause is passed the American manufacturer will have to pay two per cent. If he sells through a jobber in Canada the jobber will pay one per cent and the American manufacturer will pay one per cent. If he sells direct to the retailer, two per cent will have to be charged at the time of importation. The Canadian manufacturer is in the same position in that respect,—he also will have to pay the two per cent tax, or it will be divided between himself and the jobber. But the Canadian manufacturer has to pay tax on his raw materials, which represent five-sixths of his cost. I suggest that all materials and supplies used in the manufacture of binder twine be exempted from the one per cent import tax or the one per-cent turn-over tax if produced in Canada.

Mr. LOGGIE: It seems to me that some provision should be made to meet the case of a firm engaged in both the wholesale and the retail business, which imports goods, some of them for their wholesale branch and some for their retail branch. Would it be provided that the wholesale department might charge the one per cent to the retail department and pay into the treasury on receipt of the goods only one per cent? How could that condition be met?

Sir HENRY DRAYTON: The tax on import is one per cent unless the goods are to be sold direct.

Mr. LOGGIE: But suppose a portion of the goods are invoiced to the retail department and the balance to the wholesale department?

Sir HENRY DRAYTON: The question is not so much where the goods were invoiced to as what was actually done. This firm get a large amount of goods; part of it goes into the retail establishment and part into the wholesale establishment. That which went into the wholesale establishment would be liable to the two per cent when it was sold to the public. There is no transfer to themselves as wholesalers; they are importing for sale direct, and they would not have to pay that tax until they sold direct.

Mr. STEWART (Lanark): The trend of modern business provides for a policy by which the manufacturer markets his goods, and everything that has occurred during the past ten years in the way of increasing economy in the management of business has taught both manufacturer and retailer that as many middlemen as possible should be eliminated. I appreciate the fact that in some instances the jobber or the wholesaler may be disriminated against where he has to pay on the invoice from the manufacturer a sales tax of one per cent and then pass on another one per cent to the retailer. But as the amendment now stands, I submit, the manufacturer is discriminated against. The manufacturer doing business to-day will sell to a jobber upon a basis that will enable the jobber to sell goods at the same price that the manufacturer does, provided the manufacturer also goes out and markets his goods direct. It is good business to do that; in fact, any other policy is practically impossible. If the manufacturer follows the policy of both marketing direct to the retailer and selling to the jobber he can afford to sell to the jobber cheaper than he can sell to the retailer because in connection with that branch of his business he is not obliged to keep a selling force. As a rule the jobber goes to the manufacturer's establishment and buys what he wants and his salesmen sell the goods to the retailer. In the large majority of cases the manufacturer keeps his own selling force so that his goods are sold at the same price by his travellers as they are sold at by the representatives of the wholesaler or the jobber. Now, what occurs? A retailer buys a line of goods from the salesman or from the sales force of the manufacturer, and at the same time he buys, or can buy, the same goods from the sales force of the jobber. He gets the invoices, and upon the invoice from the manufacturer he is charged a sales tax of 2 per cent and upon the invoice from the jobber he is charged a sales tax of 1 per cent. That discriminates at once against the manufacturer and tends to create a condition where the manufacturer would reap an indirect advantage by marketing his goods indirectly through a jobber. There is this additional view, that after all the matter of values in buying is largely a matter of judgment, a mental condition on the part of the buyer. In the purchase of a very large range of commodities it is absolutely impossible for the buyer to form any absolute judgment, because the value depends so often upon things which are concealed and which it is impossible for him to determine, so that the matter is largely a mental condition. Suppose, acting on his judgment, he buys from a jobber a line of goods to sell at a certain price, and then he goes direct to the manufacturer and, again acting on his judgment, buys a competitive line of goods to sell at the same price. On the goods he buys from the manufacturer he has to pay 2 per cent of a sales tax as against 1 per cent of a sales tax he has to pay on the goods he buys from the jobber. That is a condition that operates directly against a manufacturer who markets his goods directly.

Mr. ALLAN: It operates against the public also.

Mr. STEWART (Lanark): Where a jobber buys from a manufacturer, the manufacturer, under the provisions of the resolution, is bound to put upon the invoice as a separate entry a sales tax of 1 per cent. He pays that 1 per cent and he is permitted to absorb that 1 per cent into his cost. Upon that 1 per cent he is permitted to take a profit. But the 2 per cent, which the manufacturer is obliged to levy upon his direct sales from his factory to the retailer, he is not permitted to absorb at all, nor is he permitted to take any part of it into his cost. What I submit is this, that the average manufacturer would infinitely prefer to pay 1 per cent and absorb it himself rather than show upon his invoice double the amount that would be shown upon the invoice of the jobber or wholesaler. There may be certain lines where it might be found that 1 per cent was too large. There are a large number of lines in which jobbers do not intervene at all to-day and there are a large number of other lines where jobbers intervene to a very limited extent; but in my opinion, in every case where a line is marketed by the manufacturer him-

self directly and also marketed through a jobber, the manufacturer would infinitely prefer to pay and absorb one per cent to being placed at the disadvantage at which he will be placed if he is obliged to put 2 per cent on his invoice when he sells directly to the retailer.

Mr. PEDLOW: In my judgment, the position taken by the minister as regards this phase of the situation is absolutely correct. It is only reasonable to expect that the manufacturer and the wholesaler should be placed on absolutely the same level. We know from the wording of this resolution that the manufacturer will charge the wholesaler 1 per cent on his sales to the wholesaler, and consequently the wholesaler will add that to the cost of his merchandise and charge 1 per cent to the retailer, and these together, or 2 per cent, will be passed on to the Government. Why, then, should the manufacturer escape the 2 per cent that is paid in that transaction through the other avenue? It is absolutely fair, it is only simple justice, that that condition should operate and that the minister should pursue that course. It obviates another difficulty. We know that many manufacturers sell direct to large retail stores and do not sell to small retailers at all. If the idea advocated by the hon. member for Haldimand (Mr. Lalor) and the hon. member for Lanark (Mr. Stewart) were listened to, these large departmental stores would be favoured to the extent of 1 per cent as against the small retailers. That would be absolutely unfair. I trust the minister will not consider that argument at all.

There is another feature in connection with the matter of the retailer buying directly from the manufacturer. On the admissions of the hon. member for Haldimand and the hon. member for Lanark the retailer gets no advantage in buying direct from the manufacturer, because the manufacturer will sell to the wholesaler at a lower price than he will sell to the retailer. Consequently, there is no advantage on the score of buying direct from the manufacturer excepting as regards the matter of delivery, and that is the point that influences the retailer in every instance in buying direct from the manufacturer. Therefore, in my judgment, it is an open question whether it is more economical for a retailer, small or large, to buy directly from a manufacturer or through the wholesale trade. As a matter of fact, from the admission made by my two hon. friends, who know what they are talking about, there is, from an economical point of view, no advantage to the retailer in buying direct from the manufacturer at the present time, because he knows that the manufacturer will not sell to the retailer as low as he will sell to the wholesaler; he will sell to the wholesaler at such a price that the wholesaler can, in turn, sell to the retailer at the same price as the manufacturer sells at direct to the retailer.

There is something in the argument put forward by the hon. member for Brant (Mr. Harold) as regards binder twine. That is a feature which, I am sure, will appeal to the minister, namely, that in the matter of raw material there is a discrimination against the home manufacturer, and consequently there would be a discrimination against the farming industry of this country. I am sure it is not the intention nor desire of this committee to penalize the farming industry of this country to any extent. We want to encourage farming in this country as much as we can. As regards the margin of taxation being absorbed in the cost of the manufactured goods, that is only a trifling amount, and the manufacturer passes it on in any event to the wholesaler or retailer so that there is no room for grumbling.

Another element to be considered is that of the agent, or salesman, or traveller—these three elements in distribution are one and the same thing. An agent may represent a European concern; but if he sells to the trade in this country, the importations come direct to the importer and not as a rule to the agent. When a salesman goes out direct to represent a manufacturer in this country selling domestic goods, he is on the same level exactly as a traveller representing a wholesale concern.

The hon. member for Brome (Mr. McMaster) and the hon. member for Shelburne and Queen's (Mr. Fielding) said that there was a good deal of kicking about some of the features that are embodied in this particular section. If the hon. member for Cape Breton North and Victoria (Mr. McKenzie) will permit me, I will quote Scripture, and I am sure he will corroborate me in that quotation. We find in the Scriptures the saying "How hard it is to kick against the pricks." These are the little pinpricks that annoy us, but we have to put up with them. There are some features to which I would direct the attention of the Minister of Finance and ask for a ruling at the present time. Will merchandise sold prior to May 19, and paid

for but not delivered, be subject to this tax? I understand that the Commissioner of Taxation has ruled that delivery is completion of contract. That ruling was given since this resolution was brought down on May 19. If delivery is completion of contract, then merchandise that has been sold prior to May 19, and paid for but not delivered, would be subject to taxation. I have in mind large timber deals. There are some members of the committee who will understand the working out of that kind of transaction. I understand that it is the custom of lumber dealers to sell their entire cut and get paid for it long before delivery. It is sold very often in the shape of logs in the winter to be manufactured into lumber, and delivered as called for during the ensuing year. Will lumber sold under those conditions be subject to the tax? I have in mind another instance where a manufacturer of grain bags sold for delivery during the months of August, September and October $500,000 worth of grain bags. The orders were put through in the months of January and February, the bags to be delivered at contract price in the months of August, September and October of the same year. Will the manufacturer be obliged to charge his customer the 1 per cent tax on that transaction? If so, I fear there will be a great deal of trouble in connection with transactions of this kind.

Sir HENRY DRAYTON: I cannot say that the point raised by the hon. member (Mr. Pedlow) has been drawn to my attention before. I would think that the turnover tax is a tax that applies to turnover, and that it would be collected whenever that turn-over takes place. If you have not delivered your goods before the resolutions were brought down, the turn-over tax should be payable. Certainly that is the method by which the converse case would have to be approached. So far as importations are concerned, it does not matter when the goods are sold. It is when they are imported that counts. It seems to me it is the importation on one side and the turnover on the other side which is the thing that counts. As to the point raised as to the manufacturer on the one side and the wholesaler on the other, I confess that our only idea is to try and do the fair thing and not disturb business as it is now being carried on. We are leaving the wholesaler and the manufacturer where they were. It all comes down to this one point. Hon. gentlemen have pointed out that so far as the manufacturer is concerned he has to charge 2 per cent, and show it. He must not include it in his costs, but send it on. So far as the wholesaler is concerned, he has a right to absorb the first one per cent in his costs and charge a profit on it. That statement was made by one hon. gentleman who is objecting from the manufacturer's standpoint. Now it is perfectly obvious that if the wholesaler absorbs that first one per cent in his costs and charges a profit on it, as he can do, his price certainly must be greater than the manufacturer's price, and the manufacturer certainly cannot complain if after he has sold his goods and got the profit he desires to make, the wholesaler absorbs the tax which he has paid to the manufacturer and then puts a profit on top of that again. The manufacturer cannot complain of that kind of competition from the wholesaler.

I do not know that there is anything of real moment in what we are discussing, because after all the whole of this objection is simply this: The manufacturer who is selling direct says: " You make it a little more difficult for me to do business than before, because I have to show a 2 per cent tax, while the wholesaler has only to show a one per cent tax." Now the matter of moment here is that the country gets the benefit of these two turnovers, and the matter of moment further is that there should be some record kept of these taxes; they should be passed along and there should not be too much profit on them. The manufacturer gets none, while the wholesaler can absorb one per cent. It seems to me the fair thing to do would be to treat the manufacturer exactly the same as the wholesaler, and say that in cases where the manufacturer sells direct to the retailer he may absorb one per cent of the 2 per cent, and only show a separate tax of one per cent.

Mr. LALOR: I should just like to suggest to the minister that if in addition to the proposition he has just made, which I think is quite fair, he would give the wholesaler permission, instead of absorbing one per cent, to charge 2 per cent, he would be placing them both on the same footing, and the wholesaler would not be charging a profit on the one per cent. I do not wish to enter into a controversy with my hon. friend (Mr. Pedlow) as to the advantage of buying from the manufacturer or wholesaler. That is a matter for himself, as a retailer, to consider, as I have no doubt he has been doing for a good many years. I think that if the manufacturer was permitted to absorb one per cent when selling

to the retailer direct, it would overcome a good deal of the difficulty.

Mr. COCKSHUTT: I want to say a word or two in connection with the point raised by the hon. member for South Renfrew (Mr. Pedlow) and the hon. member for Haldimand (Mr. Lalor). I think this tax is going to work a rather serious injustice on those who have contracted ahead for very large deliveries at a time when this tax could not have been anticipated, because nothing like it has been seen in Canada before. The minister says that this tax is on all-fours with a change in customs duties, but I do not understand that it is. A manufacturer or wholesaler who is selling goods, and who expects the customs duties to be changed, protects himself by saying that should the duty be increased or diminished before the goods are delivered that will be taken into account and the charge will be made accordingly. That is a common thing in business. It is not a common thing, however, to have an internal tax imposed, and the manufacturers and wholesalers could have no idea that it was coming. Therefore, they are unprotected on their vast commitments for delivery in the autumn of this year. My hon. friend (Mr. Pedlow) has given one example, and hundreds of others could be given. I know several firms that have contracted for delivery of 50 or 100 carloads of goods at a certain price without taking this tax into account. That being the case, the whole tax is going to fall on the man who made the contract. And he is going to be compelled to pay not a few dollars but amounts running into thousands of dollars of taxes that he could not foresee, because there has never been anything of this kind before. Therefore it does not stand on all-fours with the customs tax. With regard to binder twine, there is in my riding the largest and only independent binder twine concern in Canada that has survived the benefits of free trade to the binder twine industry. There used to be sixteen or twenty binder twine concerns in Canada before this article was put on the free list, and the number is reduced to one; and as the hon. member for Brant has pointed out, while this institution has to pay a duty of one per cent on about 80 per cent of its raw material—

Mr. HAROLD: On the total cost.

Mr. COCKSHUTT: Yes, on the total cost —he is not allowed to make that up as compared with the American, who is exporting this article into Canada entirely free of duty. So that in addition to this product being on the free list, the Canadian manufacturer of binder twine will be disadvantaged to a considerable extent on his raw material and all the things that go into the manufacture of binder twine. I do not think the minister wishes to do an injustice of this kind, even if there are only one or two industries of this sort left in Canada. This manufacture of which I speak is a very large institution and is well managed. It has survived the fierce storms of free trade for the last five or ten years, and I trust that the minister will not wipe it out now by exacting a tax on raw materials and subjecting the Canadian manufacturer of this commodity to an impediment which the American manufacturer who ships his goods into Canada will not have to meet. I want to back up my hon. friend (Mr. Harold) in regard to this point because it is a strong one. With regard to the point raised by my hon. friend from Lanark in in connection with the conflict that might arise between the manufacturer and the wholesaler, this is a delicate question and I have been interested in both kinds of business as my hon. friend who is sitting beside me knows. But I want to point out that while it may be good political economy, as the hon. member says, for the manufacturer to go direct to the retailer, that is not always nor nearly always the case. There are certain lines of goods that are in consumption in Canada in every small city, town and village, but it would not pay to send a traveller to any particular section to sell only one line of some goods that might not justify the traveller's expenses. Take scrub brushes for instance, which are handled by every grocer. Now, the brush trade is a big business in itself, but if a manufacturer of brushes were to send a traveller to these outlying districts to take orders which would run from $25 to $50 at the most, the traveller's expenses, salary, etc., would cost the consumers in those little towns and villages more than if the goods were sold to the jobber, who is the wholesaler in this case and who goes all over the country offering one hundred or five hundred lines to one customer. If you split it up to much it becomes not economy but extravagance, and there is no doubt that there are scores of lines, such as brooms, etc., that make up quite a large manufacture in themselves but no one of which is sufficient in volume to pay a traveller to go to distant points. I think therefore that the minister has arrived at a good solution. His proposal is fair and and sound as to the division of the tax, and I trust that the committee will adopt it, be-

cause it is a great advance over what he had in the original resolution.

Sir HENRY DRAYTON: Apparently the proper thing to do is to add after the word "tax" in the ninth line, the words "to at least the extent of one per cent."

Mr. PEDLOW: Notwithstanding that proviso will the manufacturer still have to pay the percentage prescribed?

Sir HENRY DRAYTON: Yes.

Mr. HAROLD: Will the importer have to pay 2 per cent when he ships direct to the retailer?

Sir HENRY DRAYTON: Yes.

Mr. McMASTER: As I recollect the resolution which was read, this 2 per cent or 1 per cent as the case may be, has to be calculated on the value for duty purposes. Now, in regard to goods coming from the continent of Europe, from France, Italy, Austria or Germany, we find that their currencies are so depreciated in comparison with our own that when the Government takes, as it does, the pre-war rate of exchange as a basis for changing the currencies, when it takes the pre-war rate of exchange for the purpose of changing these invoices into dollars and cents, they raise the value of the goods four and five times; and if the minister takes the value for duty purposes arrived at in this way to fix his tax of two per cent or one per cent, as the case may be, he will be taxing four or five or eight times the amount which under a proper adjustment of the currencies he should tax. I would bring this matter home to the minister because I think that the Customs are making a great mistake in taking a purely arbitrary rate of exchange when they come to levy their duties, a rate which raises the duties to almost a prohibitive extent on things that pay tremendously high duties when they do come in. And then the minister proposes by his amendment to charge the one or two per cent on these inflated and swollen values for duty purposes.

Mr. COPP: I would ask the minister where the distinction lies between wholesaler and retailer. How is any one to know? I was talking to a large lumber manufacturer in my province no later than yesterday and he was asking me this very question. I could not tell him. I do not suppose that the minister can fully answer every question at a moment's notice, but the people are deeply interested in these matters and would like to get all the information possible in regard to them. The man to whom I refer put this case to me: A man is the owner of certain timber limits in different sections possibly fifty miles from the owners of the mill who buy the logs. The logs are rolled into the stream fifty miles in the bush, and the mills have their surveyor there to look them over and take control of the logs. The man who owns the timber limits may sell a million feet of lumber to Mr. A, let us say. Is that a wholesale transaction? Mr. A takes them to the stream into the booms and sells them to Mr. B, who in turn sells them and they are manufactured into lumber. There are at least three wholesale transactions in regard to that lumber, and this man to whom I was speaking was anxious to know how those transactions would be regarded.

Sir HENRY DRAYTON: They would be all wholesale transactions. Transactions of that kind will be defined in the Bill.

Mr. FIELDING: Has the minister's attention been directed to the question of the cost of containers? I am informed that gasoline is handled in steel barrels which are of very substantial value, and a case has been brought to my notice where the purchaser of gasoline had to pay a tax not only on the value of the gasoline but on the steel barrels worth $15 each. These things are ultimately returned they are not part of the real value. Has the attention of the minister been directed to the question of containers?

Sir HENRY DRAYTON: I think there should be no duty on the containers in connection with the turn-over tax. I think in the customs the practice is always to make a refund. There should be no difficulty about a refund here because we ought to know about what the value of the gasolene is. There should be no charge whatever on containers.

Mr. FIELDING: And if such a tax has been imposed, you think it would be a matter for refund?

Sir HENRY DRAYTON: I should think so. I should think it would be improper to put a tax on these containers. However, the matter can be adjusted as soon as the returns come in.

The CHAIRMAN: Shall the amendment carry?

Mr. BUREAU: This is a very important clause. When the minister was making his Budget Speech he said:

The tax will not include retailers as such but will include the goods manufactured or imported by any retailer although manufactured or imported by such retailer for retail sale by himself.

Now we want a clear definition of the word "manufacturer," and if any doubt arises as to the interpretation what authority is to prevail? Let me give the minister an illustration. A man has a lumber yard and a planing mill. When he puts his lumber through the planer, does it become a manufactured article? Is the operator of a sawmill a manufacturer?

Sir HENRY DRAYTON: The definitin of all these different terms must be clearly and properly made, and the Bill that is brought down will cover these technical questions at greater length than is done in the resolutions.

Resolution as amended agreed to.

That the minister may require every manufacturer and wholesaler to take out an annual license for the purposes aforesaid, and may prescribe a fee therefor, not exceeding $5.

Mr. COCKSHUTT: When is it required to take out this license? At any time in the year? Or will it be set out in the Bill? It is necessary to have the date defined.

Sir HENRY DRAYTON: That will be covered in the Bill.

Paragraph agreed to.

(c) That any such tax, costs or penalties may, at the option of the minister, be recovered and imposed in the Exchequer Court of Canada or in any other court of competent jurisdiction in the name of His Majesty.

Mr. BUREAU: Why the Exchequer Court?

Sir HENRY DRAYTON: The Exchequer Court is the proper court for suing, but we wish to have the right of action in any other court of competent jurisdiction so that we will not be bringing people here when they ought not to be brought.

(d) That this tax on sales shall not apply to sales or importations of meats, fresh, salted or pickled; butter; cheese; oleomargarine, margarine, butterine or any other substitute for butter; lard; eggs; vegetables; fruits; grains and seeds in their natural state; buckwheat meal or flour; pot, pearl, rolled, roasted or ground barley; corn meal; oatmeal or rolled oats; rye flour; wheat flour; coffee, green, roasted or ground; tea; salt; cattle foods; hay and straw; nursery stock; fish, fresh, pickled, salted, smoked, dried or boneless; sugar syrups and molasses; anthracite or bituminous coal; artificial limbs and parts thereof or to goods exported.

[The Chairman.]

There are some additions to make to that. The list is not sufficiently broad in so far as food and fuels are concerned. Briefly the whole idea is to exempt those things altogether, and the wording we will now have will be as follows:

That this tax on sales shalle not apply to sales or importations of,—

Animals living; poultry; fresh, salted, pickled, smoked or canned meats; canned poultry; soups of all kinds; milk, cream butter, cheese, buttermilk, condensed milk, condensed coffee with milk, milk foods, milk powder and similar products of milk; oleomargarine, margarine, butterine or any other substitutes for butter; lard, lard compound and similar substances; cottelene; eggs; chicory, raw or green, kiln dried, roasted or ground; coffee, green, roasted or ground; tea; hops; rice; cleaned or uncleaned; rice flour; sago flour; tapioca flour; rice meal; corn starch; potato starch; potato flour; vegetables, fruits, grains and seeds in their natural state; buckwheat, meal or flour; pot, pearl, rolled, roasted or ground barley; corn meal; corn flour; oatmeal or rolled oats; rye flour; wheat flour; sago and tapioca; macaroni and vermicelli; cattle foods; hay and straw; nursery stock; vegetables, canned, dried or desiccated; fruits, canned, dried, desiccated or evaporated; honey; fish and products thereof; sugar, molasses; maple, corn and sugar cane syrups and all imitations thereof;

I think that is a pretty full expansion of the food list.

Mr. McMASTER: You have forgotten pease meal that we make brose out of.

Sir HENRY DRAYTON: I should not leave out pease meal if it is not there. Now to continue with the enumeration:

—ice; newspapers and quarterly, monthly and semi-monthly magazines and weekly literary papers unbound; gold and silver in ingots, blocks, bars, drops, sheets or plates unmanufactured; gold and silver sweepings; British and Canadian coin and foreign gold coin; materials for use only in the construction of ships; anthracite and bituminous coal and coal dust, lignite, briquettes made from anthracite or bituminous coal or lignite, coke, charcoal, peat, wood for fuel purposes; electricity; calcium carbide; gas manufactured from coal, calcium carbide or oil for illuminating or heating purposes; ships licensed to engage in the Canadian coasting trade; artificial limbs and parts thereof; donations of clothing and books for charitable purposes; settlers' effects; articles enumerated in schedule c of The West India Agreement or to articles purchased for use of the Dominion Government or any of the departments thereof or by or for the Senate or House of Commons.

A drawback may be granted of the tax paid on goods exported or on materials used, wrought into or attached to articles exported.

Mr. BUREAU: Do I understand that smoked meats are included in the list which has just been read by the minister?

Sir HENRY DRAYTON: Yes.

Mr. COCKSHUTT: There are quite a number of items coming under the head of "food products" that are still omitted. For example, macaroni and vermicelli.

Sir HENRY DRAYTON: Those articles are included.

Mr. COCKSHUTT: Also wheatina?

Sir HENRY DRAYTON: Not wheatina.

Mr. COCKSHUTT: Wheat meal?

Sir HENRY DRAYTON: Wheat flour is covered.

Mr. COCKSHUTT: It is not flour. It is wheat meal that appears on the breakfast table every day and, in this hot weather, is one of the best breakfast foods we have. The minister ought to look very carefully into this matter because there are a number of food products that are still not on the list.

Mr. FIELDING: I do not suppose the minister expects to report his resolution to-night. Might I suggest therefore that this is perhaps a good moment to stop in order that the long list he has given may be examined to-morrow? I think the minister is to be congratulated upon the degree of progress he has made to-day.

Mr. LALOR: Might I ask the minister a question before he replies to my hon. friend? What is the position of the large departmental stores that manufacture nearly all the lines of goods they themselves sell? Will they be subject to the 2 per cent tax?

Sir HENRY DRAYTON: On anything that they manufacture themselves and on anything that they import themselves they will pay the 2 per cent tax.

Mr. BUREAU: We need a definition of the word "manufacturer."

Sir HENRY DRAYTON: I have much pleasure in acceding to the suggestion made by the hon. member for Shelburne and Queen's (Mr. Fielding), and I thank him and other hon. members for the progress that we have made to-day. I therefore move that the committee rise and report progress and ask leave to sit again.

Mr. HAROLD: Before that motion is put——

The CHAIRMAN: Unless the hon. minister withdraws his motion the hon. member cannot proceed, the motion not being debatable.

Mr. HAROLD: The hon. minister permits me to make this statement——

The CHAIRMAN: It is not with the permission of the hon. minister. If he wishes to withdraw his motion, well and good; otherwise the hon. member is out of order. Do I understand the hon. minister to withdraw his motion?

Mr. FIELDING: There will be lots of time to-morrow for the hon. member for Brant (Mr. Harold) to proceed.

Sir HENRY DRAYTON: I withdraw my motion.

Mr. HAROLD: It is just in order to comply with the minister's own suggestion, that when he brought up this list I would make reference again to the question I raised about materials and supplies of binder twine being excepted along with the other things on the free list.

Sir HENRY DRAYTON: Then I renew my motion, Mr. Chairman.

Motion agreed to and progress reported.

On motion of Right Hon. C. J. Doherty the House adjourned at 12.35 a.m. (Wednesday).

## Wednesday, June 16, 1920.

The House met at Two o'clock.

### INDIAN ACT AMENDMENT.

#### REPORT OF SPECIAL COMMITTEE ON BILL No. 14.

Mr. W. A. BOYS (South Simcoe) presented the following report of the Special Committee to whom was referred Bill No. 14 to amend the Indian Act:

1. Your committee convened on the 31st day of March, 1920, and thereafter held seventeen meetings, hearing thirty-five Indian witnesses from various parts of Canada, and in addition heard long and able addresses from three counsel learned in the law who appeared for the Six Nation Indians and certain of the Allied Tribes of British Columbia.

2. Having given Bill No. 14 careful consideration, your committee have agreed to report the same with amendments, and for the information of the House report herewith their minutes of evidence and the exhibits filed in connection therewith.

3. That in the opinion of your committee the administration of the affairs of an Indian community or band by an hereditary council may be detrimental to the best interests and progress of such Indians, and your committee would therefore recommend that wherever such a system exists the Government should ascertain whether the majority of the male members of the band of the full age of twenty-one years, are in favour of the adoption of an elective system of councillors, and if so, that the provisions of the Indian Act in this regard should be put into operation as soon as possible.

4. During the meetings held by your committee many of the Indian Chiefs expressed great satisfaction with the opportunity the meetings gave them of presenting their views to a Committee of Parliament, and many intimated that if this opportunity was given more frequently it would lead to a better understanding of Indian Affairs, and having in view the strong representations made in this connection, your committee would recommend that the rules of the House be amended to provide for the appointment of a Select Standing Committee upon Indian Affairs.

5. Your committee therefore commend the suggestions contained in paragraphs 3 and 4 hereof to the favourable consideration of the Government.

All which is respectfully submitted.

Signed W. A. Boys,
Chairman.

## QUESTIONS.

(Questions answered orally are indicated by an asterisk).

### Mr. W. F. O'CONNOR.

Mr. DUFF:

1. Is Mr. W. F. O'Connor an employee of the Department of Justice?
2. If so, by whom was he recommended and when was he appointed?
3. What yearly remuneration does Mr. O'Connor receive as such employee?
4. Is Mr. O'Connor paid in addition for his services on the Board of Commerce?
5. If so, at what rate per year?
6. Does this officer hold any other appointment under any department of the Government in addition to those above mentioned?
7. If so, what positions, and what salary is attached to each?
8. What was the total remuneration paid to Mr. O'Connor by the Government for his services and expenses from all sources for the calendar years 1918 and 1919?

Rt. Hon. A. L. SIFTON:

1. No.
2. Answered by No. 1.
3. Answered by No. 1.
4. Only office is as Commissioner of Board of Commerce of Canada.
5. Salary of Commissioner of Board of Commerce is by statute $8,000 per annum.
6. Answered by No. 4.
7. Answered by No. 4.
8. 13,998.22.

### MACHINES SCRAPPED AT ST. MALO SHOPS.

Mr GAUVREAU:

Is it true that two first-class machines which were in good working order at the Rivière-du-Loup shops were scrapped after their transfer to the St. Malo shops?

Hon. J. D. REID: No.

### BARON SCHELKING.

Mr. JACOBS:

1. Did a man calling himself Baron Schelking obtain entry to Canada during the war?
2. If so, when?

[Mr. Boys.]

3. Was he accompanied by a woman purporting to be his wife?
4. Were they refused admission to Canada by the immigration authorities at Victoria or Vancouver?
5. If so, for what reason?
6. Was the case appealed?
7. If so, with what result?
8. To what nationality did Schelking belong?
9. Was the woman who accompanied him a German, formerly of Berlin, and did she join Schelking at Shanghai?
10. Has the Government any information as to the history or character of the woman prior to her entry into Canada?
11. Were the authorities aware of the fact that the couple were travelling as husband and wife?
12. Were the authorities aware that the couple had been refused admission to the United States by the immigration authorities?
13. What representations did Schelking make as to his activities in Berlin?
14. Has the Government any report as to whether Schelking's statements were true?
15. What information is on file in the records of the Dominion Secret Service, or of the Royal Canadian Mounted Police, respecting Schelking and the woman who accompanied him?
16. Is it a fact on Schelking's arrival in Montreal he delivered inflammatory speeches against Jews, charging them with being responsible for much of the trouble existing in Russia during the war?
17. Is the Government aware that the speeches made by Schelking as above mentioned gave great offence to Canadian Jewish citizens, inasmuch as his statements were outrageous and atrocious slanders?
18. Is it a fact that after victimizing a number of hotels Schelking and his companion disappeared?
19. Has the Government knowledge of the present whereabouts of Schelking and his companion?

Rt. Hon. A. L. SIFTON:

1. Yes.
2. He arrived at Vancouver on the SS. Empress of Russia the 1st April, 1918.
3. Yes.
4. Baron Schelking and his wife were not destined to Canada, but to the United States. They were refused entry to the United States by American immigration officers at Vancouver and they made an appeal to Washington. Pending the outcome of the appeal Baron Schelking and wife were allowed to remain in Canada. The appeal to Washington was dismissed and Baron Schelking then made application to remain in Canada, and he and his wife were brought before a Board of Inquiry which resulted in their rejection.
5. That they had come to Canada from Japan instead of from the country to which they belonged and which had issued passport in their favour, viz., Russia.
6. Yes.
7. The appeal was allowed on the understanding that Baron Schelking and his

wife would be permitted to remain in Canada for the time being.

8. Russian.

9. Baron Schelking claimed that his wife was born at Strassbourg, Alsace, and that he was married to her in Russia. In support of this he produced Russian passport No. 375 vised at Yokohama on the 10th November, 1917.

10. No information.

11. Yes.

12. Yes.

13. Baron Schelking claimed that he was for a time in the diplomatic service of Russia and while in that service spent some time in Berlin.

14. Not beyond the documents he carried.

15. Confidential reports concerning Schelking.

16. No information beyond the fact that certain letters or interviews purporting to come from Baron Schelking have appeared in the Canadian press.

17. No information.

18. Answered by No. 17.

19. Answered by No. 17.

COMMISSIONS TO N.C.O'S OF THE PERMANENT FORCE.

*Mr. LEMIEUX:

1. How many N.C.O'S of the permanent force received commissions overseas?
2. How many have been retained in their commission rank?
3. How many have been retired to pension?
4. What ages are the men who have been retired to pension?

Hon. HUGH GUTHRIE:

1. 130.

2. 37.

3. 49.

4. 1, 29 years; 2, 30 years; 2, 31 years; 5, 32 years; 2, 33 years; 5, 34 years; 3, 35 years; 3, 36 years; 4, 37 years; 4, 39 years; 3, 40 years; 1, 41 years; 3, 42 years; 4, 43 years; 2, 44 years; 1, 45 years; 1, 47 years; 1, 48 years; 1, 55 years; 1, 56 years. Total, 49.

QUEBEC AND SAGUENAY RAILWAY.

Mr. STEIN:

1. Has the Government taken possession of the Quebec and Saguenay Railway?
2. If so, when?
3. Is the Government operating the said Quebec and Saguenay Railway through the Board of Directors of the Canadian National Railways, or otherwise?
4. If so, since when?

Hon. J. D. REID:

1. Yes.

2. March 4, 1919.

3. This line is still in the hands of the contractors and is being operated under an arrangement made with them.

4. September 24, 1919.

STEAMERS LADY EVELYN AND CHAMPLAIN.

Mr. McKENZIE:

1. When were the steamers Lady Evelyn and Champlain sold
2. To whom were they sold?
3. Were those steamers advertised for sale and were tenders called for?
4. At what price were they sold?
5. Have they been paid for?

Rt. Hon. A. L. SIFTON:

1. The Lady Evelyn sold 24th April, 1919. The Champlain was sold in March, 1920.

2. The Lady Evelyn and the Champlain were sold to The Gulf of St. Lawrence Shipping and Trading Company, Quebec.

3. The Lady Evelyn was included with other vessels advertised for sale by the Naval Department in February, 1919. The only tender received was for $20,000. The "Champlain," yes.

4. The Lady Evelyn, $40,000; The Champlain, $61,050.

5. The Lady Evelyn, $34,000 has been paid. Balance, $6,000 held pending settlement of a claim that complete equipment was not handed over with the steamer. The Champlain, $13,102.50 cash. Balance secured by endorsed notes maturing in 3, 6, 9 and 12 months bearing interest at 6 per cent.

CANADIAN NORTHERN RIGHT OF WAY THROUGH NORTH BAY.

Mr. McDONALD:

1. How many sittings were held by the Railway Commission to fix compensation for damages caused by the passing of the Canadian Northern through North Bay?
2. Who presided over the said sittings?
3. What were the awards made?
4. To whom were they paid?
5. What was the total cost of the said sittings?
6. What was the amount paid for counsel fees?
7. What amount was paid for witnesses?
8. To whom were the amounts paid?

Hon. J. D. REID: As the answer is rather lengthy I would ask that this question stand as an order for return. The answer will be laid on the Table now.

PROPOSED DRY DOCK AT VICTORIA, B.C.

Mr. SINCLAIR (Antigonish and Guysborough):

1. Has the Government reached a conclusion on the proposal to build a dry dock at or near the city of Victoria, B.C.?

2. When will the work be commenced?
3. What is the estimated cost?
4. Is it the intention of the Government to build this proposed dry dock as a Government work?

Hon. J. D. REID:

1. Yes.
2. As soon as conditions will justify
3. Between $5,000,000 and $6,000,000.
4. Yes.

PROPOSED DRY DOCK AT VANCOUVER, B.C.

Mr. SINCLAIR (Antigonish and Guysborough):

1. Has an agreement been made between the Government and Messrs. J. Coughlan & Sons to build a dry dock in Vancouver, B.C., under the provisions of the statute related to the construction of dry docks?
2. What is the date of this agreement?
3. Has it been executed by both parties thereto?
4. If it has not been executed, what is the cause of delay?

Hon. J. D. REID:

1, 2, 3 and 4. Form of agreement was submitted to the legal representatives of Messrs. Coughlan & Sons on 10th May, but has not as yet been signed and returned to the department for completion. No information in the department as to cause of delay.

QUESTION PASSED AS ORDER FOR RETURN.

Mr. McDONALD:

1. How many sittings were held by the Railway Commission to fix compensation for damages caused by the passing of the Canadian Northern through North Bay?
2. Who presided over the said sittings?
3. What were the awards made?
4. To whom were they paid?
5. What was the total cost of the said sittings?
6. What was the amount paid for counsel fees?
7. What amount was paid for witnesses?
8. To whom were the amounts paid?

CUSTOMS ACT—RESOLUTION RESPECTING PROPOSED EXPORT REGULATIONS.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): Mr. Speaker, on behalf of the Minister of Customs and Inland Revenue, I move that the House do this day resolve itself into Committee of the Whole to consider the resolution standing in his name to amend the Customs Act.

Mr. SPEAKER: I am under the impression, without having had an opportunity to examine the matter carefully, that this motion will require unanimous consent.

Unanimous consent given.

Motion agreed to.

[Mr. Sinclair.]

On motion of right hon. Sir Robert Borden (Prime Minister) the House went into committee to consider the following proposed resolution:

Resolved, That it is expedient to bring in a measure to amend the Customs Act, and to provide that the Governor in Council may from time to time make regulations for or relating to the exportation of any article, commodity or material which is produced or manufactured in Canada, and which is, in the opinion of the Governor in Council, necessary or desirable for the use or consumption of the Canadian people, or for the encouragement, maintenance or preservation of any trade, industry, business or occupation, and may by such regulations order and direct that any such article, commodity or material shall be exported only under license issued by the Minister of Customs and Inland Revenue, or by an officer appointed upon the minister's recommendation for that purpose; and that the issue of any such license, and the exercise of any right or privilege thereby conferred, shall be subject to such conditions as the Governor in Council upon the recommendation of the Minister of Customs and Inland Revenue shall prescribe;

That every such regulation shall have force and effect after it has been published in the Canada Gazette, and that it shall be laid before Parliament within fifteen days after the date thereof if Parliament is then in session and, if not, within the first fifteen days of the session held next after the date thereof, and shall remain in force until the day immediately succeeding the day of prorogation of that session of Parliament and no longer, unless during that session it be approved by resolution of both Houses of Parliament; and

That any person violating any provision of any such regulation shall be liable upon summary conviction to a fine not exceeding five thousand dollars for each violation.

He said: This is an important resolution. I am asking the House to go into committee on it now so that I may introduce the Bill. After the Bill has been introduced, and if it receives the approval of the House upon its second reading, I shall move that it be referred to a Select Committee of the House before it is taken up in Committee of the Whole. I have spoken to my hon. friend who leads the Opposition (Mr. Mackenzie King) and also to the member for Marquette (Mr. Crerar), suggesting that that course be followed. I should like to have the resolution adopted, if the committee approves, pro forma, with, of course, full liberty of discussion when the Bill is taken up in Committee of the Whole after it has been considered by the Special Committee to which I have referred.

Mr. BUREAU: When the Bill is taken up in Committee of the Whole, the chairman and the committee as well are inclined to adhere to the rule that the Bill be discussed clause by clause and that the discussion be relevant to the clause under consideration. I understand that this legislation

proposes to vest in the Governor in Council power to prevent exports at any time. Is that the object?

Sir ROBERT BORDEN: It provides for the regulation of export as set forth in the resolution. I should inform my hon. friend that the Governor in Council has no desire to be burdened with responsibility in respect to these matters. That must be apparent to hon. gentlemen in view of the very great burdens and responsibilities in this regard which were imposed upon the Government under the War Measures Act. I have no doubt that some amendments will be proposed, and, doubtless, adopted by the committee to which this Bill will be referred. When the Bill is taken up in Committee of the Whole I shall be not only willing but anxious that the fullest discussion with regard to its provisions shall take place. I assure my hon. friend that I shall raise no technical objection so far as that is concerned.

Mr. BUREAU: Shall we be permitted to discuss the principle of the whole legislation when the Bill is taken up in committee?

Sir ROBERT BORDEN: Certainly, if it is not discussed on the second reading.

Mr. BUREAU: To my mind this is the most important piece of legislation that has been brought before Parliament this session. Generally, restrictions upon importation have been regarded as,—well, I might even use the word immoral; they are such a restraint of trade that people will not put up with them. Under the constitution of the United States restricted importation was forbidden. Of course, we shall have to go into the matter, but it seems to me that this proposed legislation will require a good deal of explanation on the part of the Government. For my part, I would like to know of some concrete cases in connection with which legislation of this kind becomes necessary in time of peace and under ordinary conditions. We complain that we have a large debt; that our currency is at a discount; that the balance of trade is against us. Now we are going to place in the hands of the Government the power to restrict exports of any kind of commodity. Whatever the reason may be, I do not think that there is any emergency to call for action of that kind. Unless the special committee submit a report on the matter which changes my mind, I shall be absolutely and entirely opposed to vesting any such power in the Governor in Council.

Sir ROBERT BORDEN: Perhaps my hon. friend is not alive to the situation that confronts the country at the present time. Important and very urgent representations have been made to the Government as to the necessity of some control of export in respect to important articles. For example, we are told that a large amount of coal is going out of the country while industries are suffering through lack of it. The item of sugar is also under consideration; the necessity for some action in that regard has been strongly urged upon us. Then, there is the question of newsprint. Urgent representations have been made from different parts of the country that because of the exportation of an amount not exceeding two per cent of the exportable surplus, the shutting down of some twenty-seven Canadian newspapers is involved.

Mr. BUREAU: I understood that it was fifteen per cent of the production.

Sir ROBERT BORDEN: I am informed that only two per cent of the total exportable surplus of that particular article is involved in the question. The Governor in Council has no desire to assume burdens or responsibilities in this respect. I hope that the special committee to whom this Bill will be referred will find some means of relieving the Governor in Council from a duty which involves great responsibility and is wholly invidious. No one would be more delighted than I if that committee could find some effective method which will meet the conditions of public urgency now confronting the country and at the same time relieve the Government from additional responsibility. All I ask, however, at the present moment is that the matter may be expedited by passing the resolution pro forma, and upon the second reading or in committee the House will be at liberty to decide whether or not this legislation or any legislation of an analogous character ought to be passed by this House, or whether we should allow matters to take the course they are now taking.

Mr. FIELDING: There are abundant reasons why it would not be advisable for us to have a protracted discussion at the present time, although there are some matters which we might well consider before we come to a conclusion. Therefore, I trust it will be the view of the committee that, without committing ourselves to the principle of the resolution we should now allow the resolution to pass the present stage.

Mr. McMASTER: I should be sorry to disagree with or to fail to follow any arrangement made by the leader of the party to which I belong, but this proposed legislation is to my mind so vicious that I wish to have an opportunity given on the introduction of the resolution of speaking to it. It would be very well for the country to be fully advised as to what the Government purpose doing. I would have thought that the Canadian nation was thoroughly sick of the Government endeavouring to control industry, and it is surely bad enough to have a protectionist government in power with the right to control imports into the country, but it would be worse to have them control exports from the country. I should like, if that could be agreed to by all, to have a general discussion on the introduction of this resolution. We cannot canvass the situation too fully, and now is the time to do it. If what is proposed to be done is done, it means that the matter goes to a committee and that it will not get back into this House until the middle of next week. We are hopeful of being able to bring the session to a termination before Dominion Day. What will happen if we do not have this discussion now will be that if this legislation is passed, it will have to be rushed through in the dying hours of the session. I protest most respectfully against that line of conduct, and I would ask that the rules of the House be adhered to and a discussion take place.

Sir ROBERT BORDEN: I am not asking for any departure from the rules of the House. The purpose that I have in view is one that should meet entirely the view of the hon. gentleman. It is highly probable, in fact, practically certain that the measure to which the House will eventually be asked to give its assent, will differ in important respects from that which is embodied in this resolution, and for the reason that I want the House to have full opportunity of discussion, I am endeavouring now to advance the proceedings in order that the measure may be referred to the proposed committee and be reported upon as soon as possible, so that the hon. gentleman and those who concur in his view may have the full opportunity of debating it which all of us desire.

Mr. MACKENZIE KING: Might I say to the hon. member for Brome (Mr. McMaster) that I think he misunderstands the remarks which the Prime Minister (Sir Robert Borden) made a moment ago when he interprets them as meaning that there had been any arrangement or understanding between the Prime Minister and myself in regard to this matter? The Prime Minister, as he stated this afternoon, informed me that in connection with this resolution there were certain matters which he believed could be more expeditiously and carefully dealt with by a committee representative of both sides of the House, and that we would make more progress with what may be proposed in the way of legislation, through considering the matter in special committee and having a report for the House to act upon, rather than by having a general discussion which might range very far beyond the purpose of this resolution. When the Prime Minister spoke to me in those words, I thought the course he was suggesting was in the interest of expediting the business of the House and that it was the part of wisdom not to bring up in this House for discussion many subjects that, perhaps, might be construed as coming within the scope of the resolution, but which, if it went to a committee, would be eliminated. There has been no understanding. I feel, however, in view of what the Prime Minister has said in the House today, which is exactly what he said to me privately, that the course which the Prime Minister has suggested is a wise course to pursue.

Sir ROBERT BORDEN: That is a correct statement of what took place between the hon. member (Mr. Mackenzie King) and myself with regard to the matter, and the same is true with regard to my conversation with the hon. member for Marquette (Mr. Crerar).

Mr. JACOBS: Any remarks which I have to make upon this proposed legislation, I can withhold until it comes back to the House on the report of the Special Committee. What I wish to say, however, is this, that so far as I know, there seems to have been the same urgent necessity for this legislation since February 26. This House has been in session since February 26, and we have heard nothing at all about important legislation of this kind until we are almost prepared to pack up and leave the city. It seems rather strange on the part of the Government that they should have waited until this moment before bringing to the attention of the House this important legislation.

Sir ROBERT BORDEN: If conditions were such as my hon. friend describes, this

legislation should have been introduced at an earlier date; but, as a matter of fact, the conditions to which I alluded a moment ago, have only recently developed, and for that reason the legislation could not have been proposed at an earlier date.

Mr. JACOBS: Might I point out to my right hon. friend that we have been dealing with the licensing of sugar for a considerable time back, and it is now proposed to extend the scope of the law to include other commodities?

Resolution reported and concurred in. Thereupon Rt. Hon. Sir Robert Borden (Prime Minister) moved for leave to introduce Bill No. 182, to amend the Customs Act.

Motion agreed to, and Bill read the first time.

## LEAGUE OF NATIONS—SIR HERBERT AMES RETURN.

On the Orders of the Day:

Hon. H. S. BELAND (Beauce): Has any arrangement been made with the hon. member for St. Antoine (Sir Herbert Ames) who has returned from Europe, as regards his intention to address the House shortly in regard to the League of Nations?

Sir ROBERT BORDEN: I have no arrangement with the hon. member for St. Antoine (Sir Herbert Ames) on that question. If the hon. gentleman returns to the House he is, of course, at liberty, as is every other hon. member, to speak upon any matter that is relevant to any question before the House. He may take advantage of some appropriate estimate in Committee of Supply to make a statement with regard to the matter.

## POST OFFICE AND CUSTOMS DEPARTMENTS.

### REPORTED INVESTIGATION BY A UNITED STATES FIRM.

On the Orders of the Day:

Mr. J. A. C. ETHIER (Laval-Two Mountains): May I ask if it is true as stated by the press of the country, and especially by the Montreal Gazette of the 14th instant, that an Order in Council was passed on the 31st of May appointing Messrs. Griffenhagen and Associates, Limited, of Chicago, as experts to reorganize the Civil Service, particularly the Post Office and Customs Departments, at a salary of $10,000 per month, with travelling expenses, and so forth; and if so, whether the Government intends to lay on the Table for the information of the House that Order in Council.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): My hon. friend upon referring to the Order Paper will observe that there is a question with regard to that matter, and also a motion. My hon. friend, who is an old member of the House, will realize the impropriety on my part of anticipating the motion and the question to which I have alluded.

## RUMOURED STRIKE OF POSTMEN.

On the Orders of the Day:

Mr. A. B. McCOIG (Kent): May I ask the Acting Postmaster General if there are any new developments with regard to the rumoured strike by the postmen?

Hon. N. W. ROWELL: I am not aware of any new developments. I have seen the statement in the paper that they do not intend to strike, and I should expect that to be true from the knowledge I have of the circumstances.

## SPECIAL WAR REVENUE ACT, 1915, AMENDMENT.

### EXCISE TAX RESOLUTIONS CONSIDERED IN COMMITTEE OF WAYS AND MEANS.

On motion of Sir Henry Drayton (Minister of Finance) the House resumed, from June 15, consideration of the proposed resolution precedent to the amendment of the Special War Revenue Act, 1915, Mr. Boivin in the Chair.

The CHAIRMAN: When the House was last in committee on this resolution we had reached paragraph (d) of resolution 7, to which an amendment had been moved, which will be found on page 3723 of Hansard.

Mr. HAROLD: Is the Minister of Finance going to add to the list of exemptions the materials and supplies that enter into the manufacture of binder twine?

Sir HENRY DRAYTON: As the fibre which is used in the manufacture of binder twine is the important item, and as we are not adding in any way to the burdens of agriculture, I move to add to the list of exemptions after the words "heating purposes" in the amendment to paragraph (d) of resolution 7, the words "fibre for use only in the manufacture of binder twine."

Amendment to the amendment agreed to.

Amendment agreed to.

(e) That the provisions of this Resolution respecting a tax on sales shall be deemed to have come into force on the 11th day of May, 1920, and to have applied to all goods imported or taken out of warehouses for consumption on and after that day, and to have also applied to goods previously imported for which no entry for consumption was made before that day.

Mr. ROBB: Inasmuch as there have been some amendments to the resolutions since they were brought down, how does the Minister of Finance propose to readjust the payments that have already been made?

Sir HENRY DRAYTON: So far as these new proposals are concerned, the whole of them will have to be straightened out in the Bill which will be brought down. We are now considering merely the principle. The principle will be, of course, that the resolutions shall take effect in accordance with the usual practice, when they are brought down, and similarly with the amendments.

Resolution agreed to.

8. That a stamp tax of two cents be imposed, levied and collected on promissory notes and bills of exchange of the value of one hundred dollars or less, and that a tax of two cents additional be imposed on every one hundred dollars or fractional part thereof in excess of one hundred dollars.

Sir HENRY DRAYTON: There is an amendment to this resolution, of which notice has already been given. It appears that credits in certain businesses evidenced by promissory notes, are renewed from day to day. In the grain business, for example, the custom is to give a demand note showing the exact amount of advances each day. The usual period of credit is three months, and if the two cents were to be charged on every hundred dollars of each note each day there would be a multiplication of the tax, although not of credit. Some of the elevator companies have shown that transactions often involve a balance of from five to six millions dollars at the end of the day's work, and that there may be changes resulting from sales cutting that down probably a million or a million and a half, while there may be further obligations resulting from purchases which might increase it a million or a million and a half or two millions. But the note for the whole amount is taken in each instance. It is proposed to modify that in the Bill. Then, in order properly to cover the question, it is also necessary to place a similar tax on advances made by banks by way of overdraft. Such advances are probably the most unsatisfactory method by which the banking business can be carried on, and it is the only way in which an advance is not evidenced, as it should be evidenced, by the signature of the debtor. Advances by way of overdraft are entirely illegal in the United States. It is not proposed here to make them so at the present time, but simply to make the credit which is obtained by the advance subject to the same two cent stamp tax as the credit given by the promissory note is subject to.



Mr. BUREAU: Is the bank going to charge that every evening? When they balance up their books and there is an overdraft, are they going to charge the two cents on every $100?

Sir HENRY DRAYTON: The full details will be given in the Bill. It is proposed that it should be on the maximum amount of the overdraft for the month so as to avoid pyramiding.

Mr. BUREAU: If a man has an overdraft for twenty-four hours for $15,000 he has to pay on that $15,000?

Sir HENRY DRAYTON: He has to pay the 2 cent tax.

Mr. McCOIG: This seems to be hitting the man who can least afford to pay. It is taxing the man who has to borrow money in his endeavour to conduct an honest business. He must necessarily have overdrafts, and as he borrows money for thirty days, sixty days, or ninety days he has to be continually paying a tax. Suppose a man puts in a number of collateral notes that he has in his own favour, he will have to pay the tax on those notes if he wants to borrow money from the bank. The bank will lend him money at ninety days or four months, and when he renews the not he has to pay the tax each time. He has to pay from time to time during the year and he will probably pay three or four times on the money he has borrowed. This seems to be an injustice to the man who is trying to carry on a humble business and who has to go to the bank for assistance. He is being unfairly penalized under this clause.

Mr. BUREAU: The small business will suffer.

Sir HENRY DRAYTON: This is not novel legislation at all; it is old. It is novel so far as we are concerned, because we are really only starting to tax directly; but is a very old form of taxation. The stamp tax on cheques, promissory notes, drafts, etc., is not new, and the proposal which we are now making is exactly the same, so far

as promissory notes and drafts are concerned, as the legislation in force in United States, and I have not heard of any real hardship resulting from it there. They apparently do not mind it, and it is a method by which revenues can be easily raised.

Mr. EULER: Is the minister certain that it has not been abolished in the United States? I am informed it has been.

Sir HENRY DRAYTON: My information is that it is an existing tax in United States.

Mr. BUREAU: The injustice of the process is this: If I give a note at thirty or ninety days and pay my two cents on it, I owe the bank for a definite period. But if I overdraw my account to-day $10,000 and pay the tax, an urgent transaction to-morrow may necessitate my borrowing three or four thousand dollars further, and I have to pay another tax; and there is nothing definite in regard to time so far as this borrowing is concerned. A man may overdraw sometimes for twenty-four hours or two days and he knows that he has five or ten thousand dollars on the road coming in with which to meet that overdraft; yet he has to pay his two cents per hundred. This is unfair, and I think there ought to be a definite time limit fixed in regard to overdrafts. This legislation as it is will work an injustice on the man doing a legitimate business. A man cannot get $20,000 or $30,000 at a snap of his fingers, and practically always when he wants to overdraw, he has a positive assurance of being able to meet the overdraft by money which he has coming in on the road. I do not see why a man ought to be penalized if he overdraws his account for two or three days.

Sir HENRY DRAYTON: Probably some time limit might be put on overdrafts. I do not know whether it should be, but that is something we can discuss conveniently when we have the details of the Bill before us. A Bill must be brought down. This is something that cannot be made effective by resolution, because the question of stamp taxation must be supported by a Bill, and when that Bill is in committee my hon. friend will have an opportunity of criticising its provisions.

Mr. BUREAU: I have no desire to be merely critical; I want to see that legislation is fair to every one when it is brought down.

Sir HENRY DRAYTON: So that hon. gentlemen may have the information before them, I would point out that in the United States the tax on promissory notes and each renewal per hundred or fraction is 2 cents. That is the item in their schedule. I would further point out to hon. members who have discussed the question of overdraft that in the United States, where undoubtedly a very large amount of commercial business is carried on very successfully, overdrafts are absolutely illegal.

Mr. McCOIG: I would direct the minister's attention again to the unfairness of this tax. If a man borrows $5,000 from a bank for three months, he has to pay a tax and when he renews the note he pays again. He renews it again and he will have to pay the tax. He will have to pay it four times in one year; whereas a business man who goes to a private individual and borrows money for carrying on his business has only to pay the tax once. The minister is penalizing the man who is trying to do business with the bank or the bank which is trying to give the man assistance to carry on his business. The average money lender will not lend money to a man to carry on his business. The man who borrows from the bank has to pay four times as much as the man who is in the fortunate position that he can go to a private individual and get the money and who has only to pay the tax once.

Mr. DUFF: I would like to support the view taken by my hon. friend from Kent (Mr. McCoig) in regard to this tax. I am in the unfortunate position where I have to borrow large sums from the bank from time to time to enable me to carry on my business. I do not think the Government should penalize the man who is willing to take a chance on going to the bank to borrow money to carry on his business. The Government is not going to get as much out of that tax as it expects because every dollar that a man pays for stamps is going to reduce the amount that the Government will get from the business profits tax. It is a poor policy to impose this tax on the business man. I would strongly suggest to the minister that he withdraw the tax.

3 p.m.

Item agreed to.

9. That a stamp tax of two cents be imposed, levied and collected on each share of stock transferred.

Sir HENRY DRAYTON: I beg to move to amend the resolution by striking out the word "share" and substituting therefor the words "$100 of face value or fraction thereof" so that it will read:

That a stamp tax of two cents be imposed, levied and collected on each $100 of face value or fraction thereof of stock transferred.

Mr. PEDLOW: Would the minister explain what his motive is in making this alteration?

Sir HENRY DRAYTON: We find that in some parts of the country mining stocks are issued for a very small share value and sometimes at such a low rate that a two cent tax really means that the shares would be transferred for nothing.

An hon. MEMBER: So much the better.

Sir HENRY DRAYTON: It may be so much the better but some of the most successful mines at one time had their stock selling at a very nominal rate. I do not know that there have been many more frauds in these small things than there have been in large ones. In some of the provinces and in the United States they have found it necessary to adopt the same basis.

Mr. PEDLOW: Will stocks selling at four and five cents on the market—which is sometimes the case with mining shares — have to pay two cents per share when transferred? There is also a provincial charge of two cents for similar transactions and the necessary result of a transfer of that kind would be nil. You might as well present the whole thing to the Government at once.

Sir HENRY DRAYTON Most of the stocks that my hon. friend (Mr. Pedlow) speaks of are dollar shares and when they are selling for four cents they are selling on the dollar value. We are not taxing the dollar value but we are taxing in units of each $100 of value of shares. I do not think the tax can be described as unduly onerous?

Mr. JACOBS: I rather fancy that the transfer that is referred to in the section is the transfer in the transfer books of the company and does not refer to manual transfer or the transfer of stocks from hand to hand on the stock exchange.

Sir HENRY DRAYTON: The principle of imposing taxes on this basis is embodied in the resolution. When the Act is drawn, provision can be made to cover the point raised by the hon. gentleman just now, and will be. The tax is imposed on sales in the way in which they are carried on now through the exchanges.

Mr. JACOBS: The Bill ought to so state.

[Sir Henry Drayton.]

Sir HENRY DRAYTON: The Bill ought to so state.

Mr. McCOIG: If you are going to tax these stocks on the stock exchange, will the man who is selling $50,000 or $100,000 worth of stock have to pay the same tax as the man who is selling $500 or $600 worth?

Sir HENRY DRAYTON: It is in units of $100 of face value. For instance, you pay two cents if you sell or transfer $100 worth of face value of stock and you pay ten cents to transfer $500 worth.

Mr. McCOIG: And so on up?

Sir HENRY DRAYTON: So on up.

Mr. FIELDING: Many stocks that are transferred pass from hand to hand without being formally transferred at all. They have endorsed upon them the power of transfer and although in many cases they are dealt in on the stock exchange they do not pass through any registration or transfer at all. The word "transfer" as meant by my hon. friend from George Etienne Cartier (Mr. Jacobs) is hardly the proper word.

Sir HENRY DRAYTON: I think the hon. gentleman is quite right. It is really sales that we mean. That will have to be defined in the Bill.

Mr. DENIS: I would ask the minister if "face value" has the same meaning as "par value"?

Sir HENRY DRAYTON: "Face value" means the value as expressed on the face of the document. "Par value" means the same thing.

Mr. McMASTER: Has the minister thought of the fact that shares of no value at all are being issued now under the Companies Act and has he made provision to take care of the transfers of such shares?

Sir HENRY DRAYTON: That will have to be covered in the Bill. Has my hon. friend any suggestion he would like to have considered in that connection?

Mr. McMASTER: I have no suggestion to make but I simply draw the minister's attention to the fact that there are such shares now.

Item agreed to.

10. That the provisions of the said Act relating to stamp duties on bottles and packages

containing a proprietary or patent medicine or perfumery requiring that an adhesive stamp be affixed to such articles by the person selling the same, or by the importer, the manufacturer or producer, be amended to provide that the said provisions shall remain in force as regards the stock of such articles in retail stores remaining unstamped on the 31st July, 1920, and such stock may be sold in accordance with such provisions until the 31st day of December, 1920, but on and after such last mentioned date every such article must be stamped before being exhibited or offered for sale. The stamps shall be affixed to all such articles on or after 1st August, 1920, by the manufacturer or importer thereof, or by such person as the minister may prescribe.

Sir HENRY DRAYTON: Resolution No. 10 is something which has already been covered in connection with the taxes on proprietary medicines. These taxes are the stamp taxes as formerly collected from the vendors, or druggists, selling patent medicines, perfumery and proprietary articles. Owing to the increase in the excise rate on alcohol, it has been necessary to make a similar increase, as has already been explained, in the tax on these medicines. In view of that fact, it has been determined to abandon the stamp taxes and therefore I ask leave to withdraw resolution No. 10 and, for the same reason, in view of the increased duties upon wines, to withdraw resolution No. 11. I therefore beg to move that resolutions Nos. 10 and 11 be struck out.

Mr. BUREAU: I understand that hereafter, except the stock that was on the shelves on the 31st July, no stamps will be put on the articles we buy in the drug store or on the wines we buy from the dealer?

Mr. MANION: As this clause deals with patent medicines, would I be in order in asking a question in regard to the tax on medicines in general? According to some of the regulations the tax did affect ordinary prescriptions. Would I be in order to ask for information regarding that?

The CHAIRMAN: I do not think that the hon. member would be in order at present; but so soon as the next resolution is disposed of, the question will be re-opened generally, and then the hon. member will be quite in order.

12. That the provisions of the said Act relating to moving picture films, and all the other provisions of the said Act inconsistent with these resolutions, be repealed.

Mr. DENIS: Is it intended to remove these duties?

Sir HENRY DRAYTON: The former legislation calling for the payment of 15 cents each time that a reel was run in a movie theatre is repealed.

Mr. DENIS: My idea is that this duty should not be removed, but, on the contrary, that it should be augmented. As a rule people get very little return on the money they spend to see moving pictures. I do not intend to go into any detailed criticism of movie theatres, but I think if any kind of amusement should be taxed it is certainly moving pictures.

Sir HENRY DRAYTON: During the course of the debate on the Budget I think it was pointed out that the tax of 15 cents worked a great hardship on the class of movie theatre which is commonly known as the five or the ten cent show with a very small seating capacity. Those theatres are usually to be found in the smaller towns or in the outlying districts of the large cities. As a rule their proprietors cannot afford to pay for one of the more expensive feature films, and therefore they have to run more films than the better class of movie theatres, often showing 6 to 8 films each day. Another disadvantage is that these small theatres as a rule cannot do much afternoon business, and for the most part get only the benefit of the evening patronage. As the tax was for each day, these small concerns were subject to an impost of from 6 to 7 per cent, and in some instances more, on their receipts, while the large theatres with their greater seating capacity and using a fewer number of films paid only a fraction of 1 per cent. In other words, the incidence of the tax was absolutely unreasonable; the man who could afford to pay was not paying; the man who could not afford to pay was being made to pay. It was obvious that the tax could not justly be continued.

Of course, that does not answer the point raised by the hon. member that movie theatres ought to be taxed. I do not suppose there is any issue at all on that point. But that is a field that has already been pretty well entered upon by the provinces. When you go into a movie theatre you get with your ticket of admission several other tickets, and the latter are the tickets which the municipal and provincial authorities are interestetd in. That of course is the only fair way of taxing these amusements, because you are then taxing the proprietor on the amount of business he is doing. But, as I say, that field has already been pretty fully entered upon by the provincial and municipal authorities—and, after all, there is a limit to the number of tickets that the public ought to be called upon to buy

when going to a movie show or any other amusement. Therefore it was felt that it would be better to leave that form of taxation to the local authorities.

Mr. DENIS: Is it the intention to cease taxing these movie picture shows?

Sir HENRY DRAYTON: Yes.

Item agreed to.

The CHAIRMAN: Before asking the committee for authorization to report the resolutions, I have to draw the attention of the Minister of Finance to an evident mistake which I discovered this morning in reading over the resolutions as amended. I find that in connection with musical instruments Resolution No. 3, paragraph (b), as printed reads as follows:

A tax of 5 per cent on musical instruments, other than band instruments; pianos not exceeding $450 each, and organs not exceeding $150 each (other than pianos and organs for religious and educational purposes).

I also find the following item:

A tax of ten per cent on pianos exceeding $450 each and organs exceeding $150 each (other than pianos and organs for religious or educational purposes) mechanical player pianos, graphophones, phonographs, talking machines, music boxes and records used in connection therewith or with any musical instrument; musical instrument (other than band instruments) not elsewhere specified.

So that the words "musical instruments other than band instruments" are included in both the 5 and the 10 per cent tax.

Sir HENRY DRAYTON: It was intended that pianos up to $450 should take the 5 per cent rate, and those over that value should take the 10 per cent rate; that organs within the limits set should take 5 per cent, and over that limit should take the 10 per cent rate; and that organs or pianos used for the excepted purposes should not be subject to any tax. I think this is how the mistake came in. Brass band instruments were considered originally in connection with the 5 per cent tax, and it was determined to exempt them. There is no tax now proposed upon these instruments, and the words should be deleted entirely. I think that was the sense of the committee.

Mr. RINFRET: When I first pointed out to the minister last night that orchestral and band instruments should be exempted, his reply was:

In recognition of what the hon. member has pointed out, we have cut the tax in two. The original provision was ten per cent; now we make it five per cent.

[Sir Henry Drayton.]

That was supposed to cover both orchestral and band instruments. Later on we made further representations, and the minister consented to remove the tax altogether from these instruments. Therefore the amended item should read that brass instruments are exempted, and that on other musical instruments a tax of 5 per cent is imposed. The first amendment you have read, Mr. Chairman, is correct, and in the second amendment the two last lines should be deleted.

Mr. LAVIGUEUR: If a dealer imports pianos and pays tax on them and subsequently sells the instruments for educational or religious purposes, will he be reimbursed the amount of the tax?

Sir HENRY DRAYTON: The manufacturer will not be called upon to pay tax on pianos sold to bona fide educational or religious institutions. In conection with the point raised by my hon. friend (Mr. Rinfret), the intention was to place a tax of five per cent on pianos and organs within the limits mentioned and ten per cent upon everything else—gramophones, phonographs and all other such musical instruments.

Mr. EULER: In most cases the manufacturer sells these musical instruments to dealers and he cannot tell at the time of sale whether or not they are to be used for educational or religious purposes. How does the minister intend to provide that in such cases the taxes shall be refunded?

Sir HENRY DRAYTON: As a general rule churches or schools buy direct, with a view to obtaining the article as cheaply as they can. In such cases there will be no trouble. But if they do not buy direct, then the manufacturer will be entitled to refund upon its being shown that the instrument has been sold to a bona fide religious or educational institution.

Mr. LAVIGUEUR: Is the tax collected on the full value of the player-piano, or simply on the automatic action?

Sir HENRY DRAYTON: The whole instrument will bear the ten per cent tax.

Mr. RINFRET: Do I understand that band instruments are exempt and that all other instruments will pay ten per cent, even the string instruments?

Sir HENRY DRAYTON: That is correct. Violins, for instance, will pay the ten per cent tax.

Mr. FIELDING: I am glad that the minister has exempted band instruments, but the word "band" may have a broader meaning than he has in mind. I have heard the expression "string band" used, though my hon. friend has suggested that violins do not come within the scope of band instruments.

Sir HENRY DRAYTON: What I had in mind were military bands, village bands, town bands and that sort of thing. Perhaps we had better put a proper definition in the Bill. The concession was made in response to representations made by hon. gentlemen and the desire was to cover all instruments required for the purposes of such bands as I have mentioned.

Mr. LAVIGUEUR: I must ask the minister to exempt string instruments as well as band instruments. A good many people earn their living with string instruments. I do not see why string instruments should be taxed while band instruments are free.

Sir HENRY DRAYTON: I do not think I can add anything to what was said last night in that regard. In the one case we are dealing with voluntary organizations; in the other with people who are, as a general rule, doing pretty well.

Mr. KENNEDY (Glengarry and Stormont): I really think the minister did not pay sufficient attention to the suggestion made by my hon. friend (Mr. Fielding) last night in regard to bagpipes. These instruments are not in very general use throughout the country. They are mostly used in military bands. I venture to say that the tax collected under this head would in the aggregate amount to a mere bagatelle; yet the tax would in individual cases be a heavy one because bagpipes are very expensive. The minister might fairly reconsider this matter.

Mr. PROULX: I heartily endorse the view expressed by my hon. friend (Mr. J. W. Kennedy). The bagpipes are very much prized by the Scotch people, and their use is deserving of encouragement. There are a few first class bagpipers in my county, but in Glengarry there are many excellent players. The minister should be generous enough to exempt these instruments from taxation.

Mr. BUREAU: What about the mouth organ?

Item, as amended, agreed to.

Sir HENRY DRAYTON: Before the committee rises, may I point out that resolutions, No. 6 and paragraph (e) of No. 7, as to the time the resolutions will come into effect, are largely formal? I now have what is the usual form of resolution covering the question, and this will take the place of the other two resolutions. I move to strike out section 6 and paragraph (e) of section 7, and to add at the end of the present resolutions the following:

Resolved, that the foregoing provisions of these resolutions shall be held to have come into force on the nineteenth day of May, in the present year, one thousand nine hundred and twenty, and to apply and to have applied to all goods imported or taken out of warehouse for consumption on or after the said day; Provided, that in the case of goods which were imported or taken out of warehouse for consumption, and on which duty was paid, on or after the nineteenth day of May, one thousand nine hundred and twenty, in accordance with the rate of duty set forth as payable on such goods in the resolutions respecting the duties of excise introduced in the House of Commons on the eighteenth day of the said month, or in any amended resolution subsequently introduced in the said House, the duty so paid shall not be affected nor shall the person paying it be entitled any refund or be liable to any further payment of duty, by reason of such rate of duty being altered before the date of the passing of these resolutions.

Mr. BUREAU: May I sum this up as I understand it? What has been paid under resolutions which have really never become law is going to remain the loss of the man who has bought goods and paid the tax. There was no authority and there never has been any authority to collect this tax. These resolutions were presented to Parliament, but this legislation is valid only inasmuch as and when the Bill is assented to. When the Bill is assented to, what is in the Bill is law. My English is limited, but I might say that it is not within the dignity of Parliament to act in this way, namely, to make temporary measures, and then when Parliament in its wisdom has discussed them, to say to the public: Gentlemen, we have brought down measures that we do not think it proper to have on the Statute Book; it was not wise on our part to enact such legislation; but we are going to penalize you on that legislation which was proposed but which is not in force. We are, in effect, saying to the public: Those who bought the goods within the period and paid the tax will pay the penalty and suffer the loss, and those who did not buy the goods within the period will not have to suffer any loss. I know it is hard to have to reimburse people; but those who have overpaid ought to be reimbursed; there

ought to be a refund. I do not think, as a Parliament, we are giving a proper example, when we say to people: Although we have made a mistake in not coming down to Parliament with proper legislation, we are going to have you pay for that and we are not going to make a refund. As regards the new resolutions, if the amounts that have been paid should have been greater, well and good, put on the difference.

Sir HENRY DRAYTON: That would be making the new resolutions retroactive.

Mr. BUREAU: My hon. friend will not contend that, as regards these new regulations there are any duties to-day in force. This legislation will be in force when it passes the Senate and is assented to by the Governor General. This is retroactive, corresponding with the statement made in the House; but it is not a law; it is only a Bill. Supposing the Bill should go no further, how could it be enforced? I do not think the Senate could throw out the Bill, because it is a matter of the exchequer; but supposing it should be voted down, what would happen? The point of the matter is that there is no absolute certainty of this becoming law; it becomes law only when the Governor General has assented to the Bill, and it is practically, to all intents and purposes, retroactive, because it will date back to the 19th May. To-day, the 16th June, we are making this amendment; but there is no law in fact, there is nothing to compel a man to pay the tax until we ratify these resolutions. Therefore, we have collected something which we have no right to collect, but still we are making this valid from the day it is assented to by the Governor General. In my opinion, this is acquiescing in legislation which in itself is unjust.

Mr. DENIS: Unwise.

Mr. BUREAU: This is not a question of wisdom. It is unjust, but I should like to use a stronger word than that.

Mr. LAPOINTE: Iniquitous.

Mr. BUREAU: No, it is not iniquitous, but it is very close to that.

Sir HENRY DRAYTON: I confess I have not had time to go over the authorities, but I would ask my hon. friend to turn to a few of them, about which he probably knows a great deal more than I do. I am told that what is now done always has been done whenever changes are made, and that in some instances very radical changes have been made. I speak subject to correction because I have not had time to turn up Hansard, but I am told that exactly the same course was taken in 1896, and in the session of 1897, when radical changes were made in the Budget. I am told that this is the course invariably followed in England. Again, I speak subject to correction; but I know that it is the universal custom for Budget proposals to take effect the very moment they are announced. Moreover, I am sure that my hon. friend will appreciate this, that whatever he may think as regards the question of principle, which apparently all British Parliaments have followed, it is absolutely impracticable to apply a system of rebates, particularly when you have many small taxes paid by people nobody knows who they are, nobody can tell who they may be. Just see the position my hon. friend would put the retailer in if this resolution was not passed. Whatever we may say as to the theoretical position, fortified by any kind of language my hon. friend cares to use in characterizing it, the fact still remains that Budget resolutions have always taken effect when brought down. It is absolutely impracticable to give refunds in connection with a series of small taxes like these. The very people who have been objecting to these taxes, that is the merchants, would be placed in an impossible position if refunds were ordered. The situation is taken care of in the same way as it has been taken care of in the past. We cannot escape from that.

Mr. BUREAU: May I draw the minister's attention to the difference between this Budget and previous Budgets? Previous Budgets dealt with customs duties on articles imported into Canada and with excise duties. If the people knew beforehand that new taxes were coming into effect there would be wild speculation. For instance, if it was known that a tax of $2 a gallon would be imposed on whisky, the distilleries would be run dry before the tax came into effect. But this Budget is different. This Budget taxes the individual because he uses a certain article. You might say that that is also true of whisky, but it is only the man who drinks the whisky who pays the duty, and if the resolutions were not brought into effect immediately he would take advantage of the situation and speculate. Under this Budget it is the consumer that pays the tax, and we had no right at the time he paid the tax to make him pay it. For instance, suppose

a man has paid a $2 tax on shoes and the exemption price has since been changed. The Government is going to get the benefit of that tax. I say that is robbing the people; it is taking money which we have absolutely no right to take. I say the principle is wrong, and I hate to acquiesce in it, and I do not think I shall.

Sir HENRY DRAYTON: The principle is the same in both cases; it only differs in degree. A man makes a raid on the whisky seller for the purpose of saving $2 a gallon. I do not see why he should not stock himself up with boots in order to save an extra $2 a pair.

Mr. BUREAU: There are eight million people affected by these taxes, but only one or two hundred would speculate in whisky.

Sir HENRY DRAYTON: If my hon. friend puts it that way his case is all the weaker, because only one hundred would make a raid on whisky while there are eight million to make a raid on boots.

Mr. EULER: To make the matter perfectly clear, would the minister say just when the changes we are now adopting, or have adopted, will come into force. Are they coming into force to-day when the resolutions are adopted by the committee, or when the Bill is introduced?

Sir HENRY DRAYTON: They will come into effect on the first reading of the Bill, which I have here ready for its first reading.

Amendment agreed to.

The CHAIRMAN: Has the minister any other amendments to submit?

Sir HENRY DRAYTON: Nothing further.

The CHAIRMAN: An undertaking was given by the minister in reply to a request by the hon. member for Three Rivers that after the resolution had been considered paragraph by paragraph and item by item, there would be an opportunity for a general discussion and for hon. members to ask questions of a general nature.

Mr. BUREAU: I waive my privilege.

The CHAIRMAN: Mr. Manion, Mr. McKenzie, and Mr. Pedlow have already asked me when they would be allowed to submit questions to the minister, and I advised them it could be done at this stage.

Mr. MANION: I wanted to say a word on behalf of the ordinary medicines that are dispensed in a drug store under prescription. This question was raised last night, and the minister said he was willing to do something if some scheme could be worked out. I want to place myself on record as opposed to this extra tax on alcohol, so far as the ordinary prescription medicine is concerned. A few prescriptions may be given that are not absolutely necessary, but generally speaking, when a doctor gives a prescription in any part of this country it is for the purpose of curing illness. In many cases the patients who get that prescription may be able to pay any price for it, but if a man is ill it does not matter whether he has money or not, he has to be treated, and the medical profession of this country will treat him. If he is treated at home the question of getting medicine is an important one to the patient. A bottle of medicine that you could get on a doctor's prescription for something like 60 cents not very long ago now costs very much more than that, and this extra tax on alcohol is going to run up the price on these prescription medicines very highly. I should say that it would run up liquid medicines in which tinctures are contained, and most bottles of medicine contain tinctures, perhaps 25 or 30 and in some case even 50 per cent. I should like to impress on the minister the necessity of working out some scheme of drawback, or something of that kind, to the makers of these tinctures. It cannot be done for the druggists, of whom it has been stated there are over 3,000 in this country, but you could give a drawback to the manufacturers of these tinctures who supply the druggists. While that would discriminate to a certain extent against the small manufacturer and the druggist who makes his own tinctures, I do not think there are many druggists making their own tinctures at the present time, and it would give a certain amount of relief to the poor who require these prescriptions.

Sir HENRY DRAYTON: I do not think that is a matter that could be considered on the resolution before the House, but it could be considered in connection with the customs regulations, on section 92, if I remember rightly, of the Audit Act. My attention has been brought to a very similar matter by the hon. member for Neepawa. We could consider both suggestions at the same time.

Mr. PEDLOW: I wish to call the attention of the minister to an inconsistency in one or two items of the resolutions. I would refer the minister to an item in paragraph (a) of resolution 1, reading as follows:

Kimonas, petticoats and waists in excess of $12 each.

Then in the amended resolutions there is this item:

Silk clothing including artificial silk clothing not elsewhere specified.

Then a ruling given last night by the minister reads (Hansard, p. 3693):

The tax applies on all silk manufactured garments whether they be overskirts or anything else.

That ruling means that all kinds of garments manufactured from silk are taxable. I do not think there is any such article as petticoats or waist in excess of $12 that is not made of silk. There are silk waists that cost less than $12, and I therefore suggest that the section I have referred to be amended to read:

Petticoats and waists of silk and other materials, and kimonas in excess of $12.

I know that a silk waist is an article that is very much in use and it is not a luxury up to that price. If my amendment is adopted it will include all waists up to that price whether made of silk, georgette crepe or any other of the materials that are largely used at the present time in the manufacture of such garments. I trust that the minister will consider the representation I am making in this regard.

Mr. PROULX: I am pleased to support the amendment of my hon. friend (Mr. Pedlow). We have taxed silk dresses and skirts and various other garments and I think we should make a small concession to the ladies and exempt waists.

Mr. PEDLOW: If I am not in order in moving this amendment now, I trust the minister will consider the point I have raised.

Sir HENRY DRAYTON: I do not think the situation is quite as the hon. member conceives it. Silk clothing "not otherwise specified" is all taxable, but sometimes it is specified. Now kimonas, petticoats and waists are not excepted because they are generally made of silk. Silk garments generally if not specified are subject to the tax; if specified they are made subject to the excise tax; so that so far as kimonas, petticoats and waists are concerned they become taxable when the cost is over $12. Similarly silk stockings are specially dealt with.

Mr. PEDLOW: I think it is absolutely necessary to revise the clause as I have suggested, to read: "petticoats and waists of silk and other materials and kimonas." That phraseology is necessary because kimonas may or may not be made of silk. As it is, there may be misunderstanding in construing the section.



Sir HENRY DRAYTON: I shall be glad to consider the point.

Mr. MOWAT: Last night the resolutions were amended so as to make it clear that cake was not confectionery and would not come under that classification. There are a number of things such as soup, which is a manufactured article, that are exempted; yet it is doubtful whether ordinary cake sold by the small baker will be totally exempt from the sales tax. Will the minister explain that point?

Sir HENRY DRAYTON: Cakes have been removed from the class of confectionery. But, not being an essential food, they should be subject to the one per cent turnover. For example, the turn-over of the Christie Company will be subject to the 1 per cent when selling to the wholesaler; in the same way cakes will be subject to the turn-over tax.

Mr. GLASS: I desire to bring to the attention of the minister a matter that was under discussion last night, namely, the question of containers. A firm in London who are manufacturing and shipping goods use a large amount of silicate of soda, which is shipped in large drums invoiced at $15 a piece. These drums come to the country being simply rented for the transportation of this substance which is used in this manufacturing business, and they are returned to the company who own them. This manufacturing concern have to pay duty on these drums and they are advised by the Customs Department that if they can identify the drums and show that they are refilled and returned to them they will avoid paying duty on them a second time. It is absurd that a large organization having thousands of shipping containers sent all over the country should be expected to have, say, a hundred drums shipped to any point in Canada identified and marked and returned to be refilled. It is just as absurd to expect that as it is to expect that a large standard oil company could refill the same barrels and consign them to the same consignee a second and a third time. If the Bill does not provide some means of avoiding the duty the second time on these containers, I would suggest to the minister that he seriously consider the question of giving some relief from the charges that will be imposed on the manufacturer in that respect.

Mr. JOHNSTON: I desire to ask the minister a question and he can answer the two at the same time. My question is in reference to gasoline drums or containers which are used in large quantities in the western provinces to take gasolene and kerosene to the farms for use in Gas Tractors. I am informed by a Board of Trade in my constituency that the oil companies are charging the 1 per cent tax not only on the first supply taken out but also on those drums for which an exchange of drums is made when these drums are returned. It seems to me that this does not constitute a sale, but merely an exchange. I cannot understand why they should be charged this tax a second time when the first lot are returned.

Sir HENRY DRAYTON: If they invoice them then they would be taxed. But it does not seem to me that they should invoice them. Only one set of containers should be in question, and it would be entirely wrong to pyramid costs on containers. Do they not give a refund on returning the containers?

Mr. JOHNSTON: When these drums are first taken out the customer is charged $15 apiece on them. That would make a tax of fifteen cents each at one per cent. If he takes ten drums in the first place and returns them at the end of one week, taking out another ten, there is no sale. It is merely an exchange of containers.

Sir HENRY DRAYTON: The fifteen cents ought to be refunded in each case in which it is charged.

Mr. MOWAT: It is quite evident that there are a number of commodities that are left uncertain and the merchants of the country are wondering what their rights are. All foods are exempt from the sales tax, but what would be the interpretation as to jellies and jams contained in bottles? Is baker's bread subject to the sales tax?

Sir HENRY DRAYTON: No.

Mr. MOWAT: So I understand but the object of my raising this question is to know how far this clause will be subject to the interpretation of the minister or of the department so that if people now have a doubt or a grievance it may be considered or removed later on. Will the minister make a statement which will be re-assuring to those who are at present in doubt?

Sir HENRY DRAYTON: This is a point which certainly ought to be covered and the Bill ought to have some provision which would enable all doubts to be set at rest and all questions to be settled in pursuance of the principles laid down. There is no difficulty about canned goods or jellies and jams in bottles. The one is a cheap form of food not subject to the tax but jellies and jams in bottles are what are known as pound goods containing a great quantity of sugar and it is not the intention to exempt them from the tax.

Mr. GLASS: I would like to emphasize the point I made a moment ago in regard to containers, and in that connection I desire to read a letter which was sent by the Commissioner of Customs on May 20, 1920, to the London Shipping Containers, Limited. These people import silicate of soda which they use in manufacturing certain containers. These containers in which they import the silicate of soda are rented to them at $15 each. They come in, they pay the duty of 30 per cent on this $15 and then the containers are returned to the United States and the London firm are credited with the full price charged. The firm asked for a refund of the duty on these containers and this is the letter of the Commissioner of Customs dated 20th May last:

OTTAWA, May, 26th, 1920.

Messrs. LONDON SHIPPING CONTAINERS, LIMITED,
London, Ontario.

Attention R. L. Stephenson Esq.,
Manager.

Gentlemen:—

Subject:—Return of metal drums free of duty after duty has once been paid.

I have the honour to acknowledge receipt of your favour of the 15th instant enclosing a contract which you have with the Philadelphia Quartz Company in connection with the purchase of Silicate of Soda. This Soda is put up in metal drums holding approximately 1,400 lbs., and you are asked to pay a duty of 30 per cent on these drums on each importation. You state that if these drums are marked for exportation, it is impossible to have these identical drums returned to you as the exporters, the Philadelphia Quartz Company have about 5,000 of these drums.

You are advised in reply that if the identical drums which have been marked on exportation for identification are not returned, there is no authority under the Customs regulations for allowing free entry of the same as provided for in memorandum No. 1398-B, copy of which I enclose.

I have the honour to be
Gentlemen,
Yours obedient servant,
Acting Commissioner of Customs.

If the customs laws of this country provide so absurd and unreasonable a condi-

tion to be applied to an importer, I submit this is the time and the place to change so unjust a provision. Sometimes the rulings of the Customs Department are unjustly made because there is no such ambiguity in the laws that they do not know what they mean. They have to have another Act to interpret the original Act, and even then it is difficult to know what the law means. This substance which is dealt with in this letter is a necessary article in process of manufacture, and if the duty is paid on the drums once and the drums are returned, surely these people ought not to be asked to pay duty again on the same drums. I submit that the request is a reasonable one and that this grievance should be adjusted right here while Parliament is in session.

Sir HENRY DRAYTON: I have so many troubles of my own that I am reluctant to take up any customs matter. We have no resolutions dealing with the customs tariff. We are not considering customs regulations, or the customs tariff. The question with regard to drum containers is a very vexed one which has been going on for many years. I confess I do not know enough about it to enable me to answer my hon. friend. This is a tax on turn-over and on the net turn-over at that. What I might suggest is that a refund be given for each and every holder or drum which is sent forward and which is returned. We could not fairly treat drums as forming a part of the produce under the circumstances and they will not be so treated.

Resolutions reported, read a second time and concurred in.

Sir HENRY DRAYTON (Minister of Finance) thereupon moved for leave to introduce Bill No. 183, to amend the Special War Revenue Act, 1915.

Motion agreed to, and Bill read the first time.

## RAILWAY ACT AMENDMENT.

On motion of Hon. J. D. Reid (Minister of Railways and Canals), the House went into committee on Bill No. 135, to amend the Railway Act, 1919.—Mr. Boivin in the Chair.

On section 4—

The CHAIRMAN: An amendment was made in the Railway Committee to the Bill as originally drawn. The following has been added:

Provided that this subsection shall not affect or come into force with respect to any street railway, electric suburban railway or tramway in the province of British Columbia until the expiration of one year from the passing of this Act.

Mr. LEMIEUX: Will my hon. friend briefly explain the purpose of this Bill?

Mr. J. D. REID: The necessity for this Bill arises from the fact that last year in amending the Railway Act a clause was inserted, at the request of the railway brotherhoods, bringing under the jurisdiction of the Dominion Railway Commission any provincial railway leased or operated by a railway company holding a Dominion charter. The question arose over the Quebec Central railway, which, although operated by the Canadian Pacific Railway Company, was subject to the jurisdiction of the Quebec Railway Commission. But the clause as drafted goes further than we intended and covers any provincial electric railway or tramway leased to a railway company subject to the Dominion Railway Commission. It was brought to our attention by the British Columbia Electric Railway Company. They applied to the Railway Commission of their province for approval of a higher rate schedule, and were referred to the Dominion Railway Commission, the provincial commission pointing out that, under the amendment in question, the British Columbia Electric Railway Company was no longer under its jurisdiction.

## THE ROYAL ASSENT.

Sitting suspended for Royal assent to Bills.

A message was delivered by Colonel Ernest J. Chambers, Gentleman Usher of the Black Rod, 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 Senate.

Accordingly the House went up to the Senate Chamber.

And having returned.

The Speaker informed the House that His Honour 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 amend the Canada Shipping Act, (Pilotage).

An Act to amend the Oleomargarine Act, 1919.

An Act to amend the Industrial Disputes Investigation Act, 1907.

An Act respecting Food and Drugs.

An Act for the relief of William George Mackness.

An Act for the relief of Charles Elias Vardon.
An Act for the relief of John Hamilton Harvey.
An Act for the relief of James Goddard.
An Act for the relief of Frederick Stephen Hartmann.
An Act for the relief of William George McBride.
An Act for the relief of George Stinson.
An Act for the relief of John James Davis.
An Act for the relief of Arthur Jones.
An Act for the relief of Eva Mary Moss.
An Act for the relief of Nellie Adeline Wallace.
An Act for the relief of Marion Olive Booth.
An Act for the relief of William Edward Vinall.
An Act for the relief of James Lewis Price.
An Act for the relief of Frederick Tristram Clarke.
An Act for the relief of Jessie Elizabeth Hudgin.
An Act for the relief of Caroline Ewing Gudewill.
An Act for the relief of Charles Lindsay Keys.
An Act for the relief of Irene Martin Chapman.
An Act to incorporate United Canada Fire Insurance Company.
An Act respecting Honey.
An Act for the relief of Francis Charles Dean.
An Act for the relief of John James Garrison.
An Act for the relief of Dora Lumsden McLaurin.
An Act for the relief of Edith Sarah Bell.
An Act for the relief of Albert Graham Elson.
An Act respecting the Army and Navy Veterans in Canada.
An Act to amend the Exchequer Court Act.
An Act to amend the Opium and Narcotic Drug Act.
An Act to amend the Supreme Court Act.
An Act respecting The Bell Telephone Company of Canada.
An Act respecting The Canadian Pacific Railway Company.
An Act to incorporate Aberdeen Fire Insurance Company.
An Act to amend the Employment Offices Co-ordination Act.
An Act for the relief of Jennie Wright.
An Act for the relief of Alfred Charles Edwin Westley.
An Act for the relief of George Orville Scott.
An Act for the relief of Harry Davis.
An Act for the relief of Elizabeth Conway Murray.
An Act for the relief of Lockhart Pierce Sutton.
An Act for the relief of Frank Fulsom.
An Act for the relief of James Proudfoot.
An Act for the relief of James Lyon Lincoln Cobbin.
An Act for the relief of Albert Ernest Bulley.
An Act for the relief of Beatrice Booth Gendron.
An Act to amend the Criminal Code (French Version).
An Act to incorporate The Western Canadian Union Corporation of Seventh-day Adventists.

An Act for granting to His Majesty certain sums of money for public service of the financial years ending respectively the 31st March, 1920, and the 31st March, 1921.

## RAILWAY ACT, 1919, AMENDMENT.

The House resumed in committee on Bill No. 135, to amend the Railway Act, 1919, Mr. Boivin in the Chair.

Mr. McKENZIE: What is the clause of the Railway Act which is amended by this Bill?

Mr. J. D. REID: Section 6, subsection (c) as follows:

> Every railway or portion thereof, whether constructed under the authority of the Parliament of Canada or not, now or hereafter owned, controlled, leased, or operated by a company wholly or partly within the legislative authority of the Parliament of Canada, or by a company operating a railway wholly or partly within the legislative authority of the Parliament of Canada, whether such ownership, control, or first mentioned operation is acquired or exercised by purchase, lease, agreement or other means whatsoever, and whether acquired or exercised under authority of the Parliament of Canada, or of the legislature of any province, or otherwise howsoever; and every railway or portion thereof, now or hereafter so owned, controlled, leased or operated shall be deemed and is hereby declared to be a work for the general advantage of Canada.

What has happened in British Columbia has happened in several of the other provinces. When the Railway Act amendment of last session was put through there was no intention of bringing all our street railways under the control of the Board of Railway Commissioners. This Bill is simply to provide that these electric railways and tramways shall remain under provincial jurisdiction as they were prior to the revision of the Railway Act last year. The Bill was thoroughly threshed out before the Railway Committee. The only question was with regard to this amendment; the committee were unanimous so far as the principle of the Bill was concerned.

Mr. McKENZIE: When the Railway Act was amended last year it was not discovered that the law as then passed was so far-reaching as it turned out to be?

Mr. J. D. REID: That is it.

Mr. McKENZIE: Is there any judicial decision to the effect that the Bill does mean more than the House intended it to mean?

Mr. J. D. REID: The British Columbia authorities, as I understand it, contended that the amending legislation of last year

took away certain of their rights so far as their electric railway system was concerned. The British Columbia Electric Railway applied to the Railway Commission to have the rates fixed, and action was taken by the Railway Commission for the Dominion. The decision was therefore arrived at that we should take this step to provide that these electric railways and tramways shall remain under the provincial jurisdiction.

Section agreed to.

Bill reported, read the third time and passed.

## MILITIA AND DEFENCE ESTIMATES.

### STATEMENT BY HON. Mr. GUTHRIE. MINISTER OF MILITIA.

On the motion for Committee of Supply:

Hon. HUGH GUTHRIE (Minister of Militia and Defence): Mr. Speaker, before you leave the Chair I would like to make a few preliminary observations on the Estimates submitted by the Department of Militia and Defence. I do so particularly because I think there exists not only in the country, but in the press and within the House of Commons some misapprehension as to the scope of the proposals which I have the honour now to bring before the House.

It has been a matter of some criticism during the present session that apparently the amount of the militia Estimates submitted this year is largely in excess of the amount submitted for the last fiscal year. On more than one occasion comparisons have been made between the figure now submitted—in round numbers, $12,500,000—and the amount submitted last year—in round numbers, $8,369,000. The statement has been made that it is proposed to expend during the coming year about $4,000,000 more for Militia and Defence than was found necessary last year and an argument has been based upon the comparison that the Government is entering upon a career of recklessness in regard to militia expenditure. But I submit that no fair or proper comparison can be made between the amount submitted this year and the amount submitted last year, for very obvious reasons. Any one who takes time to consider the situation as we have it to-day and the situation as we had it last year must at once, I think, realize the force of what I say. Last year was a war year in this country and was so treated by this Parliament. This year, technically speaking, is perhaps a war year too, but not to the same extent as was last year, and so far as possible during the present year we are trying to get back to normal affairs and the expenditure now submitted would be the expenditure of a normal year, not of a war year. In our militia expenditure we treated last year as a war year, and for that reason the expenditure appears at only about $8,391,000, but that does not mean that the sum of $8,391,000 was the total militia expenditure. The truth is that all sums of money expended last year which could be charged to War Appropriation were so charged, and the House knows that last year we appropriated $300,000,000 as a War Appropriation. This year the War Appropriation for expenditures both in this country and in Great Britain, where we are winding up war matters, is about $38,000,000. One has only to cast one's eye over the militia Estimates for the present year to see the difference between the proposed expenditure of this year and the expenditure of last year. In that expenditure there are eight items which show increases during the present year over last year, and these eight particular items to which I will call the attention of the House, account for almost $4,000,000 of the increase.

The first item which shows an increase in this years proposal is that of annual drill. Last year annual drill appeared only at the sum of $350,000; as a matter of fact, while there was no annual drill last year except by the permanent forces of Canada, the ordinary militia units were not called on to drill. This year, at the time when these Estimates were prepared and printed, it was expected that the usual annual drill would take place throughout Canada; that is, the drill which we were accustomed to have in this country before the war in normal times. If the committee will look at the item for the year 1913-14, as shown at page 30 of the Estimates, they will see that in the year before the war the item for annual drill was $1,830,000. This year it was estimated that a sum of $1,500,000 would suffice for the item of annual drill, on the assumption that the ordinary militia units would be sufficiently organized to perform annual drill during the present summer. I may, however, tell the committee at this juncture that our hopes in that respect have been somewhat disappointed. The organization or re-organization of the militia units in this country has not proceeded sufficiently far to enable us to go ahead with the ordinary annual drill. Annual drill this year will be confined to what are known as city

corps who can train at their local headquarters; but the organization of the rural units which perform annual drill in the month of June throughout Canada has not proceeded far enough, and their annual drill will have to be abandoned for the present year, although the permanent force will drill as usual. The item, however, as it appears in the Estimates was for the old time programme of annual drill as it was held in this country prior to the war. There is a difference in that item between this year and last year of $1,150,000. That cannot be regarded as an extravagance; if we are to maintain in Canada a militia force, it must be a drilled force, a competent force, and the item for annual drill should appear in the Estimates, although, as I stated, this year the annual drill will not take place because organization has not proceeded far enough to permit of that.

Mr. CRERAR: What will the reduction amount to?

Mr. GUTHRIE: As regards annual drill of rural troops, the reduction will be approximately $400,000. The only authority we have given so far is for annual drill to be performed by city corps. The estimate of the number of men who make up city battalions which will drill at local headquarters is about 30,000 in round figures. In addition to that we hope to train such of our batteries of artillery as have local headquarters where they can be trained. There are seven or eight or nine thousand of these men who may be trained, and in addition to that we are going to make an effort to train our new machine gun units established for the first time in this country, no doubt as an outcome of the Great War. These will be all the troops that will be trained in addition to the training which is going on at the present time of the permanent force. If the city units and batteries of artillery and machine gun units are trained at local headquarters, as we propose, there will be a saving on this item alone of approximately $400,000. There will, I think, be a greater saving than that, but I am giving that as the estimated amount.

Another item that will bear comparison between this year and last is that of cadet services. The amount for cadet services this year is placed at $390,000, while before the war the amount was $392,500. Last year the amount dropped down to $100,000, so that there is an apparent increase this year over last year of $290,000. Last year was a war year; we were trying to keep militia expenditure in this country as low as possible; last year we had no cadet camps. This year we purpose holding the ordinary cadet camps which did so much for the military service of this country in years gone by. Last year there was no military class, no physical training class for the teachers in the cadet corps. This year we propose to re-establish those as heretofore. Last year there was no grant for uniforms for cadet corps. The grant is not large, something about one dollar per man, and this year we purpose giving these grants again. That acounts for the difference of $290,000 shown in the Estimates, but there is this to be said of this item. I am informed by those who are most competent in this country to advise one upon such a point that the most valuable asset we have from a militia point of view is our cadet training, and that for the future, perhaps for all time to come, the most valuable class of people to whom we can look in this country to form our militia is the school children of to-day. We have not established anything in the nature of compulsory military training; we give them a plain course of physical instruction, a course which improves the lad both in body and in mind, if he never subsequently enters the militia. But, as a matter of fact, that preliminary training has had a great deal to do with filling up our militia units throughout the country. This is a most valuable expenditure if we are to maintain a militia force in Canada.

The next item is that of Dominion arsenals, which this year shows an expenditure of $790,000 at Lindsay and Quebec. Last year no expenditure whatever was shown for this item. Last year we had a very heavy expenditure, but it was charged to War Appropriation, so that the expenditure this year appears as an increase, although, as a matter of fact, it is not an increase at all.

The next item that shows an increase between last year and this year is that of engineer services, and there is an apparent increase in that item of $230,000. That is really not an increase. Last year the work was not fully performed; our military establishments, barracks, buildings and the like were not kept up as they should have been, but what work was done while these buildings were being occupied by the Canadian Expeditionary troops was charged to War Appropriation. This year we do not purpose charging it to Demobilization Appropriation, but to the appropriation which now appears in the Estimates under this heading of engineer services.

The next item is for the permanent force, which shows an increase of $428,000 over last year. That item I will deal with in the

course of a few minutes. The next is Transport and Freight, which shows an increase over last year of $275,000. Last year the expenditure under that head was $25,000, and I do not think it was spent. There was no transport and there was no freight, because there was no training and there were no camps. All the military transport which took place in Canada last year was charged to War Appropriation; it had strictly to do with the war, and not with the established militia of this country. Now that we are getting back to normal times this item is charged to the Militia vote. We do not expect to use the whole of it because a large part of it would ordinarily be used in connection with the annual camps, and as we are not going to drill rural battalions, there will be a considerable saving in that item. The item is about the same as in normal years before the war, allowing for the increases in freight and passenger rates which have taken place in the interval.

The next item is Warlike Stores. There is an apparent increase there of $400,000 over last year. Last year there was no separate expenditure under this head. All expenditure on warlike stores last year was charged to War Appropriation.

In the eight items I have enumerated there is in the aggregate an apparent increase of $3,700,000, but I think the House will agree that the increases are only apparent, not real increases. They are charged this year to the vote of the Militia Department. While last year for the most part they were charged to the War Appropriation. What I maintain is that a comparison between the proposals of this year and the proposals of last year is not a fair comparison at all. A fair comparison would be to compare what we propose to spend this year, as a peace year, with what we spent in the year before the war, also a peace year. I am quite prepared to compare our expenditure of this year with the expenditure in the year 1913-14, or in any of the four or five years before that, and justify the figures I now submit as reasonable and proper under the circumstances. Let us go back a few years before the war to the days of the Liberal administration.

Mr. LEMIEUX: Your administration?

Mr. GUTHRIE: The administration of which I was a humble supporter. I submit that the figures I now present compare favourably with the expenditure in those years. I go back to the year 1910-11, when the late Sir Frederick Borden presided over the Militia Department, and take the Estimates of that year, at page 47. The Main Estimates totalled—I shall give only round figures — $6,898,000, and the supplementaries, of which there were three, $236,000. The total appropriation for that year was $7,135,000. Coming to the year 1912, page 48 of the Estimates of that year, the Main Estimates of that year totalled $7,524,000. There were again three Supplementary Estimates of $56,870, $463,000 and $155,000. The total for 1912 was $8,200,000. That was the Estimate for 1912, prepared in the year 1911. Now I come to the year 1913-14, the figures for which are shown in the first column of the Estimates now before us.

Mr. LEMIEUX: Would my hon. friend supplement his statement by giving the figures of the national debt in those years?

Mr. GUTHRIE: I cannot offhand, but later I can give my hon. friend that information if he desires it.

Mr. CASGRAIN: We had money then; we have none now.

Mr. GUTHRIE: In 1913-14, the year immediately before the war, the Estimates totalled $10,917,000. But that year there were other military expenditures. One charged to Public Works amounted to $221,000, and other special expenditures for military purposes, as set out in the accounts, amounted to $740,000. The total for that year was $11,79,000. During the years 1911 and 1912 our military establishment in Canada was not very different from what it is to-day. The permanent force was very similar to the permanent force of to-day. In the year 1911-12 the permanent force of Canada consisted of 2,916 men of all ranks, and in 1913-14, the year before the war, of 2,906 men of all ranks. The permanent force which exists in Canada at this date consists of exactly 3,555 men. That is the total permanent force of the military establishment of this country. That is, we have in round numbers 555 more men of all ranks than we had the year before the war, or more than we had when Sir Frederick Borden brought in his Estimates in the year 1910-11.

Why should there be an increase shown in the vote if the establishment is about the same? I think the reason is apparent to every member of the House. The cost of maintenance to-day is just about double what it was in those years. I have made inquiries and I find that the cost of food has more than doubled. I saw in the newspaper to-day a statement by the Department of Labour giving statistics. It showed that the cost of the weekly budget for a

family of five people increased from $7.45 in May 1914 to $16.65, or an increase of 125 per cent. The increase has been just as great in the cost of soldiers' food as in the food of other people. Clothing has increased over 100 per cent. Ammunition and military equipment has increased on the the average by 100 per cent. Freight transport has increased about 75 per cent. Going up and down the whole line of figures, from the best information I can gather from very competent men in the department to assist me in such matters, I find that the average increase has been between 80 and 90 per cent. Pay has been increased very much since Sir Frederick Borden's time, and very much since the year 1913-14. Taking the pay of a private only, in the year 1910-11 a private in the permanent force received 50 cents a day, after three years, 60 cents, and after six years, 75 cents. In 1912 this was changed a little. It was made 50 cents on joining, 60 cents after three years, and 70 cents instead of 75 cents, after six years, but a small annual allowance called an efficiency allowance was added, bringing the maximum pay of a private up to 90 cents a day. So it was at the outbreak of the war. We then established a new rate of pay for our soldiers. The pay of a private in the expeditionary force was raised to $1.10 a day. Last year with the authority of Parliament that pay was again increased. The new pay regulations provide that a private in the permanent force shall receive $1.70 a day, which is $51 a month, as against the 50 cents a day which he received in 1910-11, and as against 50 cents and an efficiency allowance which he received the year previous to the war. The pay of all ranks has likewise been increased, but not so much as the private's pay. The last increase in the pay of privates and non-commissioned officers constituted an average increase of 26 per cent, and the pay of officers has been increased about 10 per cent.

Any one can see the great difference between the 50 cent pay which pertained in our permanent force eight or ten years ago and the $1.70 which pertains to-day or the $1.10 which was paid throughout the war. These matters make up the whole of this increase,—100 per cent in pay and 100 per cent in equipment, and all food and clothing double what it was formerly. Now, while the permanent force has only been increased by 555 men of all ranks during these intervening years, are the figures which we show to-day in any respect unreasonable? I submit that they are not. There is a popular impression in Canada that in some way this Government has increased the military establishment of the country.

Mr. LANCTOT: Hear, hear.

Mr. GUTHRIE: Let me deal with that supposition for a moment. My hon. friend from Laprairie says "hear, hear." I know he has not the correct information on the subject and I will give it to him now, because the fact is that the militia and the permanent forces have not been materially increased. Twelve years ago, indeed longer than that, in 1903 or 1904, Parliament authorized a permanent force in this country to the extent of 5,000 men. I voted for that Bill and I remember it well. We thought that 5,000 men constituted a good, fair standing army, as we called it; but it was never recruited up to that strength. Under Sir Frederick Borden the total force, all ranks, never exceeded 3,050 men; and under my hon. friend from Victoria and Haliburton (Sir Sam Hughes) I do not think the figures ever reached 3,050. I think they fluctuated between 3,000 and that number. Last year this House of Commons, I think with very little discussion and with very general concurrence, agreed that the permanent force of Canada should be increased to 10,000. There was little discussion.

Some hon. MEMBERS: That is not right.

Mr. CASGRAIN: We voted against it.

Mr. GUTHRIE: There was not very much objection.

Some hon. MEMBERS: Oh yes; we voted against it.

Mr. GUTHRIE: The debate on the subject was not very protracted; it did not extend over any great length of time, and the objection was neither very pronounced nor very prolonged.

Mr. CASGRAIN: You had the majority to carry it.

Mr. SPEAKER: Order.

Mr. GUTHRIE: At all events, Parliament in its wisdom enacted that there should be an authorized force in this country up to 10,000. No one, I think, had any idea that the force should be recruited up to that number, and the Minister of Militia at the time so stated to the House. But the authority to raise such a force, if it became necessary, was certainly given by Parliament as a precautionary measure. I know that the Government has made public statements that the force would not be recruited beyond 5,000 or half of the total,

authorized and up to the present moment I can tell my hon. friend from Laprairie that the figures I give him are correct, namely, 3,555 men of all ranks. There is still room to recruit 1,445 more men before we reach the 5,000 limit. I do not know that they will be recruited. In the province of Quebec, particularly in regard to the 22nd Regiment, we are still endeavouring to recruit more men; and I must say that I am a little disappointed to see all over Canada the slowness with which recruiting for the permanent force is being done.

Mr. CASGRAIN: You should not be.

Mr. GUTHRIE: My hon. friend says I should not be disappointed, but I am. I believe in the maintenance in this country of a reasonably good militia force. We have always had one since Confederation, and I trust that we shall always continue to maintain one. When I confess that I am a little disappointed at the slowness with which recruits are coming, both in the permanent force and the militia force of Canada, I of course state only my own feelings on the subject. I thought that with the increased rate of pay our permanent units would be filled up, but that is not the case. I find that we still have something to do in the way of providing for the comfort and convenience of the men, and the greatest drawback at this moment is our lack of barrack accommodation and proper living conditions. During the winter months we suffered from a good many desertions and the reason always given was that, living conditions not being such as civilians would tolerate, there was no good ground for asking soldiers to put up with them. That is one of our difficulties at this moment, and I may refer to it further as I proceed. Now, if we go to the limit contemplated, viz., 5,000, we would require 1,445 more men. Before it became necessary for me to charge my mind with the details of this department, I was a civilian and as such I admit that I misapprehended the real situation, as I know the majority of hon. members misapprehend it. They have not the information, and in the absence of the details they cannot form a proper estimate of the work of the Department of Militia and Defence. For the information of the House I will state what the whole permanent force establishment is. We have the Royal Canadian Horse Artillery stationed at Kingston, a very efficient force, which is used for the training of artillery militia units. That is the main purpose of the permanent force. It is almost, though not quite the exclusive purpose. It is our only permanent field artillery. We have only one more regular artillery branch in the service and that is the garrison artillery. These are stationed at Halifax, Quebec and on the Pacific coast. That is all the artillery we maintain in Canada in our permanent force. In regard to infantry, we have the Royal Canadian Regiment, the Princess Patricia's Canadian Light Infantry and a new regiment just formed for the purpose of perpetuating in this country the heroic deeds of the men who formed the overseas regiment known as the 22nd, now a new regiment of the permanent force, established or in process of establishment in the city of Quebec. The three regiments constitute our infantry establishment. In cavalry we have two units, the Royal Canadian Dragoons, and the Lord Strathcona Horse. In addition to the foregoing we have the engineering corps, the army service corps, the medical corps, the dental corps, a corps of clerks engaged in the pay office—the army staff clerks I think they are called—and two other corps which we should have but which we have not yet organized, namely, the signalling corps, and the army chaplain corps. All these auxiliary corps are necessary but they entail only a few members. That is our whole establishment. It costs money to maintain it, of course, but its purpose is to look after the whole administration of the militia force in Canada. Now, we have the headquarters at Ottawa and it comes in for a good deal of criticism. It is spoken of as the arm of the service that devotes itself to fuss and feathers. But I can say this much for the headquarters staff—and I did not know it until I was closely connected with that staff—that I have never seen in the Civil Service of Canada or in any business in the country a body of men so loyal to their duty, so intelligent, so able, and so hardworking as those who are engaged at the headquarters staff in the city of Ottawa. I have this advantage over all of my predecessors in the office of Minister of Militia in that I am surrounded by the ablest and most experienced staff of men who were ever gathered together in Canada. I have on the staff, as the House is aware, as Inspector General, General Sir Arthur Currie, undoubtedly the greatest soldier this country has ever produced and probably one of the greatest soldiers that the world has seen.

Mr. LEMIEUX: Is that the opinion of your predecessor?

Mr. GUTHRIE: It is my opinion; I am giving only my own views. That is my opinion, and I may say, with the greatest regret, that the time is not very far distant when the department is going to lose the services of that brilliant and gallant soldier and able administrator. In the near future he proposes to sever his connection with the Militia Department of Canada. Some re-arrangement or re-organization will then have to take place, and I think that I voice the opinion of all the military men of Canada and indeed of the whole population when I express the deep regret which we all feel over the determination at which Sir Arthur Currie has arrived. Besides Sir Arthur Currie I have a very experienced staff in each branch of the department. If I go wrong I must be very perverse. I act exclusively in military matters on the judgment and advice given me by this staff of military experts.

I have gone over the figures of the permanent force with them and I have asked that this force be cut down to the minimum in order to avoid expense. I have asked that there be no duplication in the service in any way and I am satisfied that in the establishment of the permanent force of Canada as it exists to-day, we have it at the lowest possible level of cost if we are going to have regard to the usefulness and efficiency of the militia units of Canada. The permanent force is our training force; it is our organizing force. In Ottawa we have the headquarters for Canada and in addition we have eleven military districts throughout Canada. Many people are under the impression that we have thirteen military districts because numerically they are numbered from one to thirteen. As a matter of fact numbers eight and nine do not exist. In each of these military districts we maintain a small staff and a small force of the permanent corps. These are the forces which come into direct contact with the militia units. These are the men who do the actual training, give the actual instruction, and see to the actual administration in militia matters generally.

I am inclined to think that perhaps in one respect there is a little room for improvement. The Government has under consideration the question of the reduction of the present number of military districts in Canada. Personally, I think that two, three or four might possibly be cut off and no very great injury be done to the service. That is a matter which the Government is now considering and at a later date perhaps some announcement may be made on the subject. In the meantime these district staffs are fully employed and the work of recruiting is going on. One of the chief difficulties we find at the present time is that of recruiting and re-organizing the militia units. Nearly all the militia units were broken up at the time of the war. Some of them retained a mere paper existence. Some of them retained what you might call a nucleus, but speaking generally the war resulted in the complete disorganization of the militia of Canada. A large part of the work at headquarters is to re-organize the militia and to do it as economically, fairly and expeditiously as under the circumstances it can be done.

5 p.m.

We had a tremendous number of returned officers who were very able and very capable men. Many of them desired employment in the permanent force. Naturally we were not able to retain the services of more than a limited number of these excellent officers. The manner in which they were retained has been the subject of some criticism but in every single instance when an officer with overseas experience has applied for a position in the permanent force his case has been considered in the first instance by a board of selection composed of able and experienced officers. The decision of this board has been submitted to the Inspector General, Sir Arthur Currie, in the second instance, and if the name is passed by the Inspector General it goes to the Militia Council, a council composed of well known officers of the headquarters staff. If passed by the Militia Council it is finally submitted to Privy Council, and if approved by Privy Council it is afterwards gazetted. This rule has been followed without exception in every single case since I have had the honour of presiding over the department and I think also in the time of my predecessor. I am justified in saying that there has been no favouritism in the matter. Each case has been decided strictly upon its merits and every name has been submitted in the way I have described to the House. Unfortunately, we have not been able to utilize all those gallant officers whose service would be of such advantage to Canada.

In many cases we have had men in the permanent force who have gone across to the war as privates, and as non-commissioned officers, who have risen rapidly in the various services and who have secured high commands overseas. In many cases it was rather difficult to deal with those men when they returned home. There were

140 of these non-commissioned officers who had obtained commissions when serving overseas. We could not employ them all. We did employ all of that class whom we could when their overseas service warranted it, but a number of them we have retired to pension. They would not revert and we could not ask them to revert to their former ranks after serving with distinction overseas and in high commands. The pensions granted are very small and do not involve to any great extent the treasury of Canada. Our difficulty was serious. In Great Britain they deal with such cases in another way. In Great Britain if they cannot employ an officer they put him on half pay. We have no system of half pay in this country out of which to provide for officers who have come back and for whom there are not enough positions in the service. We were in rather an awkward position with regard to the man who had served a long time on the permanent force.

The way the matter was finally overcome was that through the authority of Parliament last year permission was given them to retire to pension. The ordinary pension fund has been self-sustaining. It does not cost the people any money. It was possible for a man to get a pension at the end of twenty years' service but the man in the meantime must contribute to the fund himself. But there will be some slight expense to the treasury of Canada by reason of our retiring to pension certain of these overseas officers who have not attained to twenty years' service and last year Parliament decided that we might offer pensions to those who had served ten years. Men who had served under ten years received gratuities to the amount of one month's pay for each year's service. That is the way in which these difficult cases have been disposed of.

Now I wish to say a word in regard to the militia of Canada as distinct from the permanent force. At the present day it is all in process of reorganization. It is too early to judge of the results yet. The reorganization of the militia has been entrusted to very capable volunteer militia officers throughout Canada and in as many cases as possible, to officers who have had actual fighting experience. We have a paper organization of about 110 infantry regiments in contemplation and about 75 batteries of artillery. This is a considerable increase in the number of batteries of artillery over what we maintained before the war. The war developed the artillery branch of the service perhaps to a greater extent than any other branch. Those who are charged with such matters, and responsible for the advice they give to me, consider it wise to increase the number of artillery batteries, and we propose therefore to increase the number to about 75 batteries. In addition, we propose to establish a number of batteries of machine guns. The machine gun batteries will be a new branch of the Canadian service. Prior to the war we had no such branch but certainly the machine gun has established a place for itself and we will have a limited number of these machine gun batteries scattered throughout Canada. These are the only additions to what we had previous to the war. The old infantry regiments will be practically the same as we formerly had. There will, therefore, be a slight increase in our artillery, and a new branch will be the machine gun branch of which I have spoken.

I think I am within the judgment of the House when I say that if we are to continue as a self-respecting country we must maintain a reasonable militia force. I know of no civilized country—or uncivilized for that matter—which does not maintain a reasonable military force. Not a force for aggression, not a force for engaging in military ventures, but a force sufficient to prevent invasion from without and to maintain peace at home. These are the only objects of our militia. To my mind it is a splendid thing for the training of our youth that we maintain such a force. But that is not its main object. Its main object is defence, and I think the House will agree with me that for this purpose it is absolutely necessary to maintain a military force of reasonable strength.

We have tried to adopt that principle, but we cannot do it on the old rates paid ten or twelve years ago, nor on the rates paid immediately before the war. If we are to maintain such a force we must be prepared to make the necessary expenditure. What we could maintain in pre-war days for $10,000,000 will cost us to-day, I think I am safe in saying, at least $17,000,000 or $18,000,000; and what we could maintain for $7,000,000 or $8,000,000 in 1910 or 1911 will cost us to-day at least $11,000,000 or $12,000,000. I have had these figures of former years in view in the preparation of the Estimates, and I have tried to cut them down. The House will understand that these are estimates only, they are not put forward as exact figures, because we cannot do more than estimate our expenditure. We do not know exactly how many troops we will have or what provision we will have to make, but as nearly as we can estimate,

making deductions for the changes I mentioned at the opening of my remarks, $12,500,000 represents considerably more than will be actually required for militia expenditure for the fiscal year ending 31st of March next.

I have not been very long in the Militia Department. I went in there as a civilian. I do not know that it is altogether necessary that the minister who presides over the department should have had a military training. In Canada I think usually the minister has been a military man to a greater or less degree, but in Great Britain the Secretary of State for war in the majority of cases has been a civilian. However, I am free to admit that when I took charge of the department my knowledge was very hazy and very general, and I do not think I had any real appreciation of the policy or objects of the department; indeed, the knowledge I had then was the common knowledge to be found among civilians throughout the length and breadth of Canada. I have had an opportunity to become familiar with the working and objects of the department. And I have not gone along with my eyes shut. I have noticed some things which I think might be improved, and some of my ideas regarding changes are now under consideration. I recognize also some difficult situations that will have to be faced in the near future, but I think the most pressing need at the present moment is the question of barrack accommodation.

The permanent force is one to be proud of, but we have practically no accommodation for it. In Halifax what military barracks we had were badly damaged by the explosion. We have some buildings there yet, I am told, but while they may prove suitable and adequate for summer occupation, they are not adapted for housing troops in winter. In Quebec we have barrack accommodation which will not require very much expenditure. In St. John we have only rented accommodation. In Fredericton we have accommodation for a battery. In Montreal we have no accommodation. We have rented property known as the Peel Street Barracks, but we have to give up possession in a couple of months. In Ottawa we have no barracks; although I think we should have. In Toronto we are perhaps in a worse position than anywhere else. We have the Old Fort, about 120 years old and falling into decay and we have still stationed there the Royal Canadian Dragoons. The property is too small, it is badly situated, it is in bad repair; but, worse than that, it has been disposed of to the Toronto National Exhibition and our right of occupation ceases on the 1st of July next. In Winnipeg we are fairly well off for accommodation. In Regina we have none, in Calgary we have none, and in Victoria the accommodation is of the slightest kind. That is a very serious problem, because our experience has been that while you may increase the pay of the rank and file in your permanent militia force, unless you give them proper housing conditions and proper surroundings you are not going to retain them.

Well, how is the problem to be met? I find that we have a very large amount of real estate belonging to the Government of Canada but held in right of the Department of Militia and Defence. We have many very valuable properties in Halifax. We have in the Rockcliffe Rifle Ranges one of the most valuable properties in this neighbourhood, comprising an area of 500 or 600 acres of the choicest land to be found anywhere, and we do not hold it for any useful purpose. This year the rifle matches will be held on it for the last time. The new Connaught Ranges will be used next year for this purpose.

Mr. LEMIEUX: Why did you change them?

Mr. GUTHRIE: I did not change them, but I believe the new Connaught Ranges are much superior to the old Rockcliffe Ranges and can be operated with a great deal less danger. Then we would have on our hands 500 or 600 acres of the most valuable property in this neighbourhood. We go to Toronto, and on the highway between Toronto and Hamilton, bounded on one side by the provincial highway and on the other by Lake Ontario, we own 458 acres in one of the finest suburban residential districts. At Niagara we have 400 acres of valuable fruit land lying idle. At other points we have other properties of considerable value. The valuation of this unused property of the Militia Department throughout Canada runs into $3,500,000 to $4,000,000.

The question is: How are we to dispose of it? You may say that we can put it up at auction. We can, but we would not get its value. I doubt if the Government is in a position to go into the real estate business, for in order to get the value of our land it will be necessary to subdivide our large holdings in Toronto and Ottawa, to hold them for a time, to do a certain amount of advertising and to sell to advantage as offers come in. The question which is bothering me most at the present time is

how best to dispose of those properties. But those properties are there and I think can be disposed of to yield sufficient money to build permanent barracks for our troops.

Sir SAM HUGHES: I did not have an opportunity of hearing the early remarks of the minister. What properties could be disposed of?

Mr. GUTHRIE: The two main properties are the Rockcliffe Rifle Ranges and the Toronto Rifle Ranges.

Sir SAM HUGHES: In Toronto or at Lorne Park?

Mr. GUTHRIE: At Long Branch.

Sir SAM HUGHES: Then you would have to get other rifle ranges for Toronto.

Mr. GUTHRIE: Yes; but that property is spoken of as being worth $1,500 to $2,000 an acre, and it is too valuable to hold as rifle ranges; you could get cheaper property. Besides, it is nine miles from the Toronto City Hall, and the complaint is that it is too far out for a rifle range.

That is the best solution I can suggest of the barrack question, and it is engaging the attention of the Department of Militia and Defence at the present time.

Mr. LEMIEUX: Have you included among the assets of the department the Dorval site?

Mr. GUTHRIE: I am mentioning only those which appeal to me as being the most valuable. There is also the St. Andrew's College property at Toronto, for which the department paid $500,000 two years ago, and which, I believe, cannot be used as barracks. It is in Rosedale, North Toronto, in the heart of a residential district. Very strong protests have been made by the corporation of the city of Toronto and by the residents of the district where the property is situated, against the erection of barracks on that property. In fact, it was stated to the members of Council who heard a deputation which came to interview the Government on the subject that the erection of barracks there would be ruinous to residential property now assessed at about $25,000,000.

Mr. LEMIEUX: Why?

Mr. GUTHRIE: On account of a military establishment being in a fine residential district. There are differences of opinion on that subject, but that was the opinion of those who interviewed the Government. There are other objections to the St. Andrew's College site from a military point of view, but as the property has probably increased in value since it was purchased two years ago no loss will be incurred in connection with our selling it as soon as we are able to arrange for its sale. In the meantime, it is being occupied on lease terminable at the end of two years by St. Andrew's College.

There is one other matter to which I should like to direct attention and in connection with which, I think, something might be done. We have in the Department of Militia as fine a corps of engineers as can be found anywhere in the world. We have a great many engineering services in the Government of Canada apart altogether from the Militia Department. I believe that our corps of engineers in the Militia Department could perform all the engineering services of the Government of Canada. All the Government engineering in the United States is performed by the War Office—river, harbour, bridge and construction works, buildings, surveys and the like. Five or six departments of this Government do surveying work; that could all be consolidated into the Militia Department. So with other engineering services. Our graduates from the military college are recognized as among the most capable engineers in the country; the Canadian Pacific Railway Company have no hesitation in taking these men on their staff. I believe that a system could be worked out whereby all the engineering work of the Government could be performed by engineers of the Militia Department and that the result would be a tremendous saving.

One other suggestion—and it is a suggestion of the Inspector General, Sir Arthur Currie. First and foremost among the functions and duties of the Department of Militia is the defence of Canada. The Inspector General is very strong in the view that all branches of that defence should be centred in a single department; that we should have in that department not only our permanent forces and our militia, but also our mounted police, our civil police, our Air Board. The latter is a distinct department to-day, although I have the honour for the time being of presiding over the board as chairman. As time goes on and the work becomes reduced, the work now done by the Department of Soldiers' Civil Re-establishment might also be brought under the Department of Militia. The Inspector General considers that this matter should have immediate consideration. He thinks that the carrying out of some such plan would result in better co-operation, more efficient co-ordination of work and a tremendous

saving in the carrying on of these various services. These are matters which are now under consideration. As time goes on some of them can certainly be worked out to a conclusion for the general benefit of the country.

As the items of the Estimates are taken up I think I can give pretty full information on the points which will arise. In the meantime, let me say that if you give the question of the proposed militia expenditure the same fair consideration that you would give to it if it were a private matter, a domestic matter, a company matter, a business matter and say that if six, seven, eight or nine years ago this service would have carried on at $5,000,000, to-day the same service would cost $10,000,000, you will be looking at the matter in a fair way. If hon. members apply that test or that criticism to it I am satisfied that they will agree that the present proposals of the Government are moderate in the extreme.

Mr. MACKENZIE KING: Does the minister contemplate bringing in any Supplementary Estimates this year in connection with the Department of Militia?

Mr. GUTHRIE: Yes, there may be a Supplementary Estimate in regard to barracks. It is not yet settled. If we can arrange for the disposition of the land I think it would be a matter of first consequence to make some start in connection with barracks. There will also be a Supplementary Estimate as recommended by a sub-committee of the House in regard to battlefield memorials. There may also be one or two minor payments, involving sums under $1,000, in connection with accidents, gratuities and the like. That is all I can recall at the present moment.

Mr. MACKENZIE KING: Could the minister say what will be the amount of the Supplementary Estimate for barracks?

Mr. GUTHRIE: I would think that a million and a half to two millions would be a fair grant. I do not know that we can go on with the work this year but I would like to see a start made if possible. We have the land there to turn into money; it is a question of how to do it.

Hon. W. L. MACKENZIE KING (leader of the Opposition): Mr. Speaker, I shall reserve, until the Estimates of the department are under consideration, any criticism of individual appropriations. I should not like the statement which the minister has just made to pass, however, without giving expression to the surprise which must be felt not only in this House but throughout the country once it is learned that the minister has spent his time not in seeking to advocate retrenchment in the Department of Militia and Defence, but in endeavouring to excuse increased expenditures at this particular time.

The minister has told us that while the Estimates which have been presented to Parliament for this year show an increase of $4,000,000, the Estimates are, in reality, not made up correctly—that is what his statement amounts to. The Estimates as printed on page 30 indicate that in 1919-20 the several items there set forth totalled $8,369,552, and that this year for the same items, an amount of $12,498,506 is asked. The minister has seen that an increase of $4,000,000 in the expenditures of the Militia Department is one not calculated to meet with approval throughout the country. Indeed, he has already had evidence of that in the comments on the Militia Estimates that have appeared in the press. So he tells us that the Estimates are not correct; that as a matter of fact moneys appropriated for demobilization purposes were used to meet some of the expenditures that come under the head of Militia and Defence. If that be true it would seem to indicate that the Government had used for one purpose an appropriation which had been made for an entirely different purpose.

Mr. GUTHRIE: If I may be permitted, I made no such statement; I intended to give no such impression. I said that last year certain items were war items and were charged to War Appropriations; this year they are being charged to Militia and Defence. That is the statement I made, and I think the House understood it.

Mr. MACKENZIE KING: Well, they are exactly the same class of expenditure. If they were charged to War Appropriation last year, why are they not charged to War Appropriation this year?

Mr. GUTHRIE: We want to terminate the war if we can, and the war expenditure.

Mr. MACKENZIE KING: The minister says that he wishes to terminate the war and war expenditure. The minister is requesting an appropriation of $38,463,400 for demobilization purposes; I assume that that is the appropriation which would correspond to the War Appropriation of last year. That being so, the minister has in this year's

Estimates another large sum which must be taken into account along with these Estimates which relate more particularly to the Department of Militia and Defence. If the Government follow just the course which they have followed within the past year, we have every reason for assuming that some part of this $38,000,000 now asked for demobilization purposes will be used, as was the War Appropriation of last year, for militia and defence purposes. If the Estimates are wrong, if they have been presented so as to be misleading, the Government must take the blame. The Estimates stand in the form in which they have been presented by the Government to Parliament, and as presented they clearly show an increase of more than $4,000,000 over the amounts that were asked for last year. As I have just said, the minister has made it apparent that last year some of the expenditures came out of the War Appropriation; this year he is asking for a similar appropriation for demobilization purposes. I repeat that unless we can get from the Government a guarantee that no part of that appropriation will be used for militia and defence purposes, we cannot assume that when we come before Parliament next year, there will not again be this difference.

But the point to which I wish particularly to direct attention is the minister's endeavour to draw a comparison between the expenditure on militia and defence at the present time and amounts that were voted prior to the war. The minister seems to think that at the present time we ought to vote an amount at least equal to amounts that were being voted prior to the war. That is where I take direct issue with him. Before the war it was pretty generally anticipated; it was certainly said in official quarters that a menace was threatening the world, and that it was necessary to meet that menace by increasing our military and naval forces. That argument was used as the ground for increasing military expenditures, and it was largely in anticipation of the danger of a great international disturbance that this country voted for military and naval purposes the sums of money which were appropriated at that time. But conditions are wholly different to-day. There is no world menace. Where does the minister expect invasion from? The minister says that this expenditure is needed for the defence of Canada—defence against whom? There is no answer; there is no answer to be made. There is not an hon. gentleman on the other side who will say that a single nation at the present time has any hostile intention or attitude of hostility towards this country, or that there is the slightest danger of Canada being invaded from any quarter. Yet the minister asks us to-day to vote a sum that will bear comparison with expenditures voted on the eve of the terrible situation which occurred in 1914. I might further point out that prior to 1914, that, to be correct, during the period of the Liberal Administration, because the minister referred to that period, we had surpluses, not deficits in our public accounts, and we had a small national debt. To-day we have a colossal public debt; we have obligations that are wholly different, and we are not in the same position to begin to meet them. It is one thing to lay out sums of money on different appropriations when there are plenty of funds in the treasury, but it is quite another matter when the nation is trying to cope with an enormous deficit and to meet obligations such as the country heretofore has never been faced with, and when conditions are such that there is the strongest reason why we should economise in every possible particular, and especially in those particulars in which no satisfactory reason can be shown for large expenditures.

But the most important consideration of all is this. The minister has spoken about the need for training camps, permanent barracks and the like. Prior to 1914, it was necessary to have men trained as soldiers; we had no trained men, or very few, but what is the position to-day? We have in this country to-day an army of trained men, the most efficient soldiers that will be found in any part of the world, so that the situation is wholly different from what it was prior to the war. The need for training to-day is not what is was prior to the war. We have the experience, knowledge, and attainments of thousands of men as our security and safeguard if there be need for such at the present time. That is a reason why, on this particular score, much could be done in the way of reducing expenditures.

The committee, however, should consider, not only what the minister is asking us to appropriate for militia and defence, but what is being spent for military purposes in different directions. First of all, there is the demobilization appropriation of $38,463,400. Under these circumstances, it would not be unreasonable to ask the minister to suspend as largely as possible further outlays for militia and

defence until we have completed voting money for purposes of demobilization. For that period of time until at least we get through with this expenditure of $38,000,000 for demobilization purposes, we are surely justified in objecting to increased expenditures for the purposes of the ordinary work of the Department of Militia and Defence. But we have been vastly increasing expenditures in other directions to meet, in part, the purpose which the minister says will be served by the Department of Militia and Defence. He has mentioned the danger of invasion as one ground for this expenditure, and the other ground is maintenance of peace at home at all times. The other evening we were told by the President of the Council (Mr. Rowell) that the mounted police were being increased in order to maintain law and order at home. The Hon. the President of the Privy Council argued that he believed it was better to decrease the militia and to increase the mounted police, and on that score he sought to have appropriated an item of $4,674,066 for the mounted police. The Government have further placed in the Estimates an appropriation of $500,000 for buildings for the mounted police.—These are items that must be considered in connection with the Militia and Defence Estimates. It is perfectly proper also, in considering defence matters, that we should consider expenditure in connection with naval affairs. This year the Government led us to believe that there was to be retrenchment in that line and that all that would be expended would be $300,000; but in the last couple of days, the Minister of Naval Affairs (Mr. Ballantyne) has told us that when the Supplementary Estimates are brought down, they will contain a further Estimate of $2,200,000 for the purpose of naval defence; and this afternoon we get from the Minister of Militia for the first time, the announcement that he contemplates also in the Supplementary Estimates asking for an additional $2,000,000 for the purpose of building barracks for the permanent force in this country.

Mr. CASGRAIN: No end to this.

Mr. W. L. MACKENZIE KING: If we go on in that way, we shall have a military budget of very large proportions. Let me repeat some of the figures:

Demobilization appropriation, $38,463,400.
Main Estimates for militia, $12,498,506.
Mounted Police, $4,674,066.
Building for Mounted Police, $500,000.
Naval Service, $300,000.
Supplementary vote for Naval Service, $2,200,000.

In addition to that there is the $2,000,000 which the minister is asking for barracks for the permanent force, making a total of over $60,000,000 which we are appropriating for purposes of defence—

Mr. LAPOINTE: We are paying for the League of Nations.

Mr. MACKENZIE KING: —when at this, of all times there is the greatest need for economy and retrenchment, and the least need to fear invasion from any particular source.

These are not the only expenditures that the country is making for military purposes. There are also the obligations arising out of the war. We have an Estimate—and there will doubtless be additional Estimates in this connection also—of $25,825,676 for pensions in connection with the European war and the active militia, $34,000,000 for Soldiers' Civil Re-establishment and $50,017,000 for Soldiers' Land Settlement. That is a total of $109,842,676, directly connected with military expenditures that the country has to meet at this time, in addition to this proposal of some $60,000,000 more for the purposes I have already outlined. I think the country will be indignant when it discovers that the ministry has forgotten altogether the necessity for retrenchment in this particular line, and I think we on this side of the House will be justified when the Government asks us for the appropriations suggested, in requesting that they be cut down very substantially. I might as well say immediately that we will ask that from some of the items the Government cut off a very considerable amount of what they are proposing to expend. I mention this now in order that the ministry may consider whether, in view of this summary which I have given of the total expenditure on these particular scores, it is not possible of their own accord to volunteer suggestions as to directions in which retrenchment can be made.

A reference has been made to General Sir Arthur Currie. I have the highest admiration for General Currie, and I am only too happy to have an opportunity of saying, so far as my own individual opinion is concerned, that I agree with every word the minister has said about him. I should like to draw the minister's attention to a remark which I see General Currie made, speaking in this city on Thursday of last

week before the General Assembly. Sir Arthur is reported in the Ottawa Journal of that day, on page 7, as follows:

"We did not intend that militarism should be forced upon this country," General Currie continued, "and just to show you how much of a militarist I am, I may tell you that I told the Canadian Government I would agree to reduce the establishment of the permanent force by 1,000 men if they would give me instead 1,000 physical instructors who could go through the country and impress upon the boys the importance of physical training."

There is a statement by the expert military adviser to the Government that the permanent force can be cut down by at least 1,000. There is an alternative suggested, which I think is worthy of consideration, but the point I wish to bring out at the moment is that if the permanent force can be reduced by 1,000, there is no need for the Government at this time to ask Parliament for an additional appropriation of over $2,000,000 for barracks for a permanent force.

I think the statement of the minister is amazing when he tells us that the Department of Militia and Defence has property to the value of $3,500,000 or $4,000,000 and does not know what to do with it. Imagine a statement of that kind being made in this Parliament at this time—a statement that we have a department of the Government that has property to the value of $3,500,000 or $4,000,000 that is rendering no service—I think the minister used words to that effect —lands for which there is no particular need at the present time. There is a statement which by itself is deserving of consideration. I would suggest to the minister that instead of selling this land with a view to raising money to help pay the cost of erecting barracks, he apply the proceeds to run his department, or apply it where it is most needed at the present time to reduce debt instead of incurring further expenditure.

What is it the Government suggests? First that we should hold these lands that we do not know what to do with until we can turn them into a use that will help to perpetuate militarism in some form. Second, that we should sell them to help build barracks for a permanent service so large that we do not already know what to do with it. This simply shows that as you increase one thing you have to increase all the other elements that go to maintain it. Instead of holding on to these lands for this purpose —seeking to increase the permanent force and building additional barracks to house it— I would suggest that the minister consider retrenchment on all these items and allow the barracks question to stand over for a time. Let him sell the lands and apply the proceeds to helping the country meet its outstanding obligations at the present time in the manner in which they need so much to be met, and let him give us hope that at least we are getting back to a peace basis, and that the ministry is freeing itself from the war habit of mind into which it has got, and from which it seems so difficult if not impossible for the ministry to free itself.

Hon. Sir SAM HUGHES (Victoria): Mr. Speaker, I regret I was not present when the minister introduced this subject this afternoon. I was not aware that it was coming up or I should have had the honour of being present and listening to his remarks. I do not know what words the minister uttered regarding General Sir Arthur Currie, and I care not. What I will say is this: There has been no officer, military or otherwise who has received more commendation by way of propaganda than General Sir Arthur Currie, except maybe the President of the Privy Council (Mr. Rowell) and the ex-Minister of Finance (Sir Thomas White). I have no objection to anything that may be said about General Sir Arthur Currie, except that the Minister of Militia and Defence or anybody connected with the Militia Department of this country must know that scores of men—I will not say one or two or three, or a dozen —are regarded throughout the length and breadth of this country in military circles as infinitely superior to General Sir Arthur Currie as a general or as a gentleman.

The question of barracks has been mentioned here to-day. When I had the honour of being Minister of Militia I started on a policy of erecting drill halls throughout the length and breadth of this land. I managed to smuggle a large number of them into the Estimates from year to year, and I am satisfied that the people of this country appreciate the value of these drill halls to-day. They belong not to the militaristic, but to the democratic branch of the service. I view with alarm the establishment of police barracks, and of military barracks to any abnormal extent, throughout the length and breadth of this land. I have always claimed that the permanent corps— I am not speaking of the administrative staff—was to a very large extent an excrescence on the country. A country like Canada does not need a large permanent force. In the war, I regret to say, the permanent force did not distinguish themselves at all as compared with the non-permanent soldiers. It is a standing joke

in the service that nearly all the soft positions were filled by permanent corps men. while the boys who went to face the music and bear the brunt of the fighting were the lads belonging to the non-permanent branch of the service. I want to point out in connection with this great dread of insurrection or Bolshevism and all that sort of thing which seems to trouble a great many people in the Government to-day, that I have been travelling up and down this country possibly as much as any man in the Government and I have yet to find the first indication of any Bolshevik spirit worthy of notice. I might point out that in 1915, when I had upwards of 375,000 soldiers under arms in Canada, scattered all over the country, fifteen here, twenty-five there, seventy-five there and a hundred at some other place, a great many people at that time were in dread as to how I was going to control these men. Well they are free-born Canadian citizens, and being young gentlemen they conduct themselves with gentlemanly propriety throughout the land; and after having had the honour of wearing the King's uniform and defending their country, enduring all sorts of hardships and privations, I see no danger of their misconducting themselves now. I challenge any one to show where a second offence of any serious character has been brought in the police courts against any appreciable member of these 375,000 men, and I see no reason why there should now be any need for four or five hundred extra policemen in the country, maintained at an enormous expense. I do not think that we should cultivate a spirit of militarism by building up a great permanent force, but rather that there should be, on the part of the people themselves, free from any military control, the true soldierly spirit of wanting to protect the country in time of need. The military spirit must be in the people as individuals, and if they have a true sense of responsibility they will always be ready to play their part in the defence of their country. Those men who have returned from the war are splendid Canadians, and they served their country admirably. But there are a number of men who remained at home, such as General Fiset, Emmett Clarke, and a score of others I could name, who are now taunted every day of their lives by the propaganda from certain quarters—

Some hon. MEMBERS: Hear, hear.

Sir SAM HUGHES: The practice has abated to a certain extent, but there was a great deal of propaganda disseminated at one time, and it is hard on gentlemen such as these to have to put up with the statement that they have been slackers and to be cried out of their jobs because they did not go overseas, when their services in Canada were just as necessary and as dangerous as Sir Arthur Currie's—because he never went within range of the shells—and just as essential to the conduct of affairs during the period of the war. General Fiset, Emmett Clarke and others did splendid work at home, and they should not be stigmatized by any propaganda from this machine.

Mr. CASGRAIN: Break the machine.

Sir SAM HUGHES: I do not mind men spreading propaganda on their own account, but I do object to their casting any reflections on men who did good service at home. I cannot get my good friend Mr. Maclean of the World to do anything unless I go after him.

Mr. MACLEAN (York): I might say—

Mr. SPEAKER: Order.

Mr. MACLEAN: I might say, Mr. Speaker, that the hon. gentleman has appealed to me several times—

Some hon. MEMBERS: Order.

Sir SAM HUGHES: The minister speaks of doing away with the rifle ranges at Long Branch and I must confess that that is a rather startling proposition. I do not see why that property should be sold. These ranges were purchased by arrangement with the city of Toronto and they are absolutely necessary. I think I know the country around Toronto fairly well, and I I do not know where any better ranges could be obtained, and certainly I see no necessity whatever for selling a property of this description. Now, the time will come when the men who fought in the late war will be regarded as "has beens," and many of them are not as vigorous and efficient now as they were a few years ago; and as years roll on, 30 or 40 years hence these ranges will be indispensible. The same argument does not apply to the ranges at Rockliffe, a property that could be sold with advantage to the people, and some other properties; but I do not think that a solitary property in Canada that does any necessary work for the upbuilding of the militia should be dispensed with without due consideration; Camp Borden and Niagara Camp are not necessary in the true

sense of the word, but the ranges in Toronto are absolutely essential.

In conclusion, I desire the minister to consider two thoughts; first, whether we should build up a permanent militaristic spirit embodied in a permanent force and permanent barracks, over-riding the people by officialdom; or, on the other hand, whether we should try to inculcate in the people themselves the true soldier spirit of service and sacrifice, every farmers' son in the nation considering himself a part of the militia, ready to take his fair part in the defence of the country in time of need —in other words, a non-permanent force on the one hand, or a permanent militia with an over-riding officialdom on the other.

At Six o'clock the House took recess.

## After Recess.

The House resumed at Eight o'clock.

Mr. LANCTOT (Translation): Mr. Speaker, I would be unfaithful to my duty as the representative of one of the most beautiful agricultural counties of the province of Quebec did I not voice my disapproval of the continuance of a policy of militarism in this country. I regret to note that certain politicians are still a prey to the mania of militarism. But, Mr. Speaker, you know what this Government has done to us since 1917—not only to the men in public life but to the people of the country. National bankruptcy stares us in the face and still we continue, ever more inclined to follow this nefarious policy of militarism. When we see all the nations of Europe practically disarming, when we know that before long Germany will be content with an army of 100,000 men and no navy to speak of, and when, I hope, all the countries which took part in the European war will be in the same position, why should Canada go deeper and deeper into militarism, since we have no acknowledged enemy who might attack us to-morrow or the day after?

The hon. Minister of Militia seemed interested in me this afternoon; no doubt because he at one time sat on the same side of the Chamber as myself and knows my opinions on these matters; he tried to persuade me that the party now in power is no worse than its predecessor. He said that the Liberal Party, of which he was once a follower, had spent $7,000,000 for military purposes in 1910 and 1911 and he added that our soldiers have not greatly increased in numbers, since we have to-day only 3,555 troops as compared to a force of 2,960 at that time. Such arguments Mr. Speaker, mean little to me and to the people I represent; what they find significant is the greater amount of money they will be called upon to pay. Our military expenditure was $7,000,000 in 1910 and 1911 and to-day, with the Supplementary Estimates which will soon be brought down we are voting nearly $15,000,000 for military purposes. That is what I am complaining about. If the hon. minister understand me, I feel sure he will admit that I was perfectly justified this afternoon when I showed by my attitude in the House that I disapproved of what he was saying.

Not only are we asked to vote $15,000,000 for the militia; the minister wants to start a recruiting campaign; he finds this vote too small; he would like to increase it by at least $5,000,000. However, he admits that the recruiting campaign is not much of success; I am glad to hear it and I hope that it will be a worse failure still; I hope that all those who are wearing khaki will take it off and go to work on our farms and elsewhere. I am not in bad humour; on the contrary I am in good humour. If the Minister of Militia succeeded in getting the 1,445 men he needs to make up the total militia strength of 5,000, his department would cost us between $18,000,000 and $20,000,000 this year—and Canada is to-day a ruined country. What are our politicians thinking about? I never stop wondering how a group of men elected by the people of this country should fail to understand the interests of these very people and should spend money right and left, knowing that the voters are watching them night and day more closely than they ever did; I cannot see why we should be asked to spend more money for military purposes.

The other day the Hon. President of the Privy Council asked for $4,000,000 or $5,000,000, I think it was, for the Mounted Police. I believe that the Mounted Police were necessary at one time, when the West was not organized as it has been since the creation of the new provinces; perhaps these men were needed for a short time after that; but I see no necessity of a mounted police force patrolling the streets of Ottawa on horseback.

And let me now refer again to the Minister of Militia and to the question of the horses, since he spoke of them this afternoon. He says that the pay of the soldiers is higher and the food for the horses dearer. Both these statements are true; but, in the country, when there is no work for

our horses, we put them out to grass, and give them neither hay nor oats, in order to reduce the cost of their up-keep. I must say to the Hon. President of the Privy Council that I do not see the necessity of horses for the Mounted Police, if they are only to be used for a canter several times a day. Poor Baptiste, who pays for this, does not enjoy it, and it is on his account that I complain.

Now, Mr. Speaker, this is not all. There is an item of $38,000,000 in the Estimates for demobilization. A fine word, is it not? I have heard it spoken in English very often, and I repeat it in French this evening. I suppose that in this $38,000,000 there is a small amount for our "red caps" that are still in England. You have heard of these "red caps"—They are ornamental soldiers who have never smelled powder, Mr. Speaker. It appears that there are still many of them in London. These gentlemen wish to celebrate the second anniversary of the armistice, which means that they wish to remain there for some time. For this, a credit for demobilization is necessary, and because there are always great festivities on such an occasion, I greatly fear that a number of them will remain for another year, when we shall again be asked to vote another sum, less large probably, for "demobilization." It is of this, Mr. Speaker, that I complain. As to pensioning and re-establishing soldiers in civil life, I make no objection, I have nothing to say to that. I have nothing to say against the taxes on anything of that kind, nor against the aid given to soldiers —you have arranged for this, and you must keep your word. But I am speaking for the future now. The people that I represent in this House are, by a large majority, farmers, as I have already said, people who know the value of a hard-earned dollar, and they ask me how it is that in so many cases unluckily, the politicians come to an understanding among themselves to increase the militia or make other military plans.

This leads me to speak of the navy. Two and a half million dollars will soon be voted for this country's navy. I ask myself why Canada should have a navy? I also ask that to the members who sit at your right, Mr. Speaker. In 1911, these gentlemen, who were then on the left, did not want a navy; they did not want a "tin-pot navy," they said, they wished to give dreadnaughts only to England. The roles are now reversed. It is no longer we who are to give ships to England, but England who will give them to us. An astonishing change, is it not? Does England therefore no longer need ships? Is it not a contradiction to the statement of the right hon. Prime Minister, which claimed that England would not be able to fight Germany without three more dreadnaughts? It was an appalling prospect, and the Canadian Government was in duty bound to make this gift to England.

I touched upon this question at the time of the debate upon the Budget. I said, if I presented a $9,000 or $10,000 automobile to one of my employees, he would be obliged to hire a chauffeur and buy gasolene. Would he be able to keep it up? It would be a burden imposed upon him. We have no need of a navy for future wars, according to what the right hon. Prime Minister said in 1913; but we had to make a gift to England. If preparations are to be made against future wars let us trust to the English navy to be ready. If we have Canadian politicians who, as in the past, wish to take part in war, let them do so, but even could I regain my youth, I assure you that I should never take part in a war between European countries.

Since the war has ended, many things have happened. The League of Nations has been created, and, if I understand rightly, our country is represented in it, at least by a secretary, Sir Herbert Ames.

As the Hon. President of the Privy Council says often, we shall have no future wars, the principal aim of the League of Nations being to prevent them. If such is the case, why spend uselessly $20,000,000 annually? Why deprive civil life of hands for which there is such need? Why encourage people to lead an idle life? Besides, Mr. Speaker, what has been the result of militarism in so many countries? Absolutely disastrous, has it not? There is no doubt that a military career suits certain individuals, those officers, for instance, who are well paid, who can afford to marry and raise a family, which cannot be done by soldiers who earn but $1.10 a day. If these were left to work in civil life in their respective provinces, they would become prosperous men. I believe sincerely that there are men of talent who choose that career, but as for me, I should like to see the whole thing disappear.

Before resuming my seat, permit me to say that I would like to be Minister of Militia for twelve hours—twelve hours only —and I would have enough of it for the rest of my days, I assure you. Among those who have favoured the war, who have encouraged recruiting, are some who have

crossed the ocean, I admit, but who have never smelled powder in the trenches of Flanders or the north of France. I would like to have a fifteen-minute interview with them. It is not necessary to tell you that I would dismiss a great many of them, and that to the satisfaction of the people I represent. I thank you for the attention you have given me.

Mr. JOHN H. BURNHAM (West Peterborough): Mr. Speaker, I should like to say a word or two at this juncture, and it will only be a word or two. If we had the military arrangements, such as were entailed by the war, to go all over again, who is the man who would be chosen to command the Canadian military corps? General Currie, beyond all doubt. When we read the French, American and British papers commenting upon Canadian troops and their conduct, military and otherwise, during the campaign, we find that, in extending their congratulations to the Canadians, they always couple with the name of the corps, the commander of the corps and they give such unstinted praise to General Currie that unless I should happen to be a man altogether vain in my own conceit, I would say that General Currie must be a very great man. Fortunately, not being a person such as I have described, I am led by this weight of authority to believe General Currie to be a very great man. Having some regard for the preponderance of evidence, for the incontestable weight of evidence, I also have formed the opinion that he is a very great man, and I think most Canadians hold the same opinion. There was one country whose name I have not yet cited, one people whom I have not yet quoted, who said that he was a great man. They were the Germans,—and they ought to know. So, taking it all in all, we could hardly let these Estimates go by, without even the most insignificant of us expressing our gratitude, as we have done, not only to the Canadian troops but to the great commander of them, General Sir Arthur Currie.

Mr. J. H. SINCLAIR (Antigonish and Guysborough): Mr. Speaker, I do not profess to be a military expert, but I regard it as my duty to protest against this very large expenditure. Taken in connection with the expenditure on the mounted police, I regard this proposed military expenditure as being entirely unjustifiable at the present time. My hon. friend the leader of the Opposition (Mr. Mackenzie King) expressed my views in that respect and I do not need to go over the ground again. My principal reason for rising at the present moment is to refer briefly to the item of $121,000,000 which appeared in the Auditor General's report of the military expenditure last year and which I referred to a few days ago. My hon. friend the President of the Privy Council (Mr. Rowell), in my absence, after I had made my speech in the Budget debate, indulged in some very severe language about myself in regard to that question. I wish to be permitted, Mr. Speaker, to explain to the House the reason why I made the statement I did make on that occasion and why I made the inquiry as to what has become of the money which was voted by this House for military expenditure overseas.

The President of the Privy Council asked me to make a public apology for having brought this matter before the House. I have not made any apology and I do not purpose making any. Any statement I made in regard to this matter was made on the records before Parliament. There was no statement made on my own initiative and everything I said can be proven up to the hilt notwithstanding anything that the President of the Privy Council has said.

What was the situation at that time? We on this side of the House had some reason to doubt the efficiency of the bookkeeping and to question the manner in which the expenditure was made overseas. The reason why we did doubt it was that it was placed before the House and the country by the late Auditor General in very plain language in 1917 and it has never been explained since that date. It is a matter of record in this Parliament what the late Auditor General found when he went overseas in 1917 and no explanation has yet been forthcoming to the House.

Mr. SPEAKER: I regret to have to interrupt the hon. member, but if I mistake not the subject matter of the question to which he is referring is now before a committee of the House for consideration, and, that being so, the hon. member would not be in order in commenting upon it before the report of the committee is before the House.

Mr. FIELDING: I did not understand the hon. gentleman (Mr. Sinclair) to refer to any matter now before a committee Unless he has referred to the proceedings of a committee, I submit, Mr. Speaker, that he is within the rules of the House.

Mr. J. H. SINCLAIR: I do not propose to refer to the proceedings before the committee.

Mr. SPEAKER: I do not think it is essential for an hon. member to refer to what has taken place before a committee; otherwise the very purpose of the rule would be defeated, because an hon. member could escape the rule by speaking to a matter which is before a committee without specifically mentioning it. But the fact is that the subject matter of this item is now before a committee of this House, and it ought not to be discussed here until a report of that committee has been presented.

Sir SAM HUGHES: I understood the hon. gentleman to speak of what the Auditor General found when he went across the water. Nothing of the kind. It was at home that the Auditor General found it.

Mr. FIELDING: Then under the ruling the whole matter of the Auditor General's report might be excluded from discussion here because it is before the Committee on Public Accounts.

Mr. SPEAKER: By no means. The rule has not been and could not be so interpreted. But if this item is as I think at the moment, before the Public Accounts Committee for consideration, it ought not to be a subject of discussion here until the committee has reported. That is in conformity with the well-established practice of this House.

Mr. FIELDING: How does the Speaker know that this matter is before the Public Accounts Committee?

Mr. MORPHY: Mr. Speaker, I do not intervene to prevent your answering my hon. friend's question, but, as chairman of the Public Accounts Committee, I say that that item was before the committee this morning, and the Auditor General was examined at some length by the hon. member for Antigonish and Guysborough.

Mr. J. H. SINCLAIR: I do not wish to convey the impression that it is not before a committee of the House. But the Government is now asking for an additional amount for military expenditure. I am pointing out that the expenditure which was voted the year before last has not yet been properly accounted for, and I purpose reading from the statement of the late Auditor General made before a committee of this House to show that that is the state of affairs overseas. Under the rules of this House I submit I ought to be allowed to proceed.

Mr. SPEAKER: If the hon. member, by a ruling of the Chair, would be precluded from discussing a matter of public interest, there might be some merit in his contention that he ought to be allowed to proceed; but inasmuch as there will be ample opportunities to discuss the question when the report of the committee is before the House, and also on motion to go into Committee of Supply and in committee itself, it seems to me that under the rules of the House it is not competent for the hon. gentlemen to discuss in detail an item which is at the present time before a committee of the House for adjudication.

Mr. J. H. SINCLAIR: Mr. Speaker, I submit to your ruling. I shall take the first available opportunity to discuss this matter with my hon. friend the President of the Privy Council (Mr. Rowell), for I think he and not I is the man who ought to make an apology.

Mr. W. A. GRIESBACH (West Edmonton): Mr Speaker, after the very excellent presentation of the case by the hon. Minister of Militia in support of the motion before the House, it would scarcely be necessary for any member on this side to speak in support of the motion. I rise to reply to some observations offered by the hon. and gallant member for Victoria (Sir Sam Hughes) in which he referred, in terms certainly not acceptable to me, to General Sir Arthur Currie. I feel, as one who served under General Sir Arthur Currie for a long time and who knows him intimately, that I might be expected by the House and by the country to rise in my place and say something in reply to the observations of the hon. member (Sir Sam Hughes).

Hon. members know what weight may properly be attached to observations of this nature reflecting on General Sir Arthur Currie coming from the hon. and gallant member for Victoria (Sir Sam Hughes). Incidentally I may say that no man in this House enjoys in larger measure the affection and esteem of hon. members on both sides than does the hon. and gallant member for Victoria. Nevertheless, for the reasons I have given I feel that something ought to be said in reply.

General Sir Arthur Currie was the Commander of Canada's victorious army in the Great War; subsequently he was called to the command of Canada's army at home; and finally he has been called to the great office of principal of McGill University. Any

man who had attained to any one of these offices might be considered a great man; but the man who has attained to all of them is, in my judgment, indeed a great man. I venture to submit with all due respect to the hon. and gallant member for Victoria, that he ought not from his place in the House to have referred to General Sir Arthur Currie as he did to-day, knowing quite well that what he said would go out through the press to the country as a statement seriously reflecting upon Sir Arthur Currie as a general and a gentleman.

I served under Sir Arthur Currie for some two years, and I served with him for some two years more. I found him to be a man of character,—and character is the supreme military virtue. He was an honest man, a just man, and a fair man. I neve heard him refer to any officer or soldier in terms suggestive of any personal animosity, and yet I have known him on occasion to be severe and, I think, justly and properly severe. He was a great tactician and a great strategist. Upon all occasions he displayed the greatest concern in regard to the future movements of troops, and no man grieved more sincerely over the losses we suffered than did General Sir Arthur Currie.

I have said that he was a great strategist and a great tactician—in a word, a great general. In saying that I am stating the opinion of those who served under him and who were competent to express an opinion, and I am also stating the opinion of distinguished generals and leaders in the Allied Armies, all of whom have placed on record their opinion that Sir Arthur Currie was a great leader and a great soldier.

The hon. and gallant member for Victoria has referred to a propaganda in support of the assertion that Sir Arthur Currie was a great general. I am not aware of any such propaganda, nor am I aware that any such was necessary. On the other hand, I have been aware for some time that there has been a propaganda by assertions made, covertly and indirectly, to make it appear that Sir Arthur Currie in the pursuit of his own glory sacrificed his men,—that many men might have been alive to-day but for the desire of General Sir Arthur Currie to obtain some personal distinction. I say that there has been a propaganda to that effect, and it has been supported and carried on by those not competent to have any sound opinion upon the question. It has been a very cruel and unjust form of propaganda, because it has not only interested those who are more or less casual observers; it has touched the heartstrings of those who have suffered personally in this war in the loss of those who were near and dear to them. I say it was an unkind and ungenerous propaganda, and I regret that the hon. and gallant member for Victoria (Sir Sam Hughes) has had his share in that propaganda in this House and without this House. As an old comrade, one who had the most complete opportunity of studying and of measuring General Currie as a soldier and as a man, I should like to say that in my humble opinion he is a great Canadian and a great soldier, and that he deserves well of this country.



Motion agreed to and the House went into Committee of Supply.

## SUPPLY.

The House in Committee of Supply, Mr. Boivin in the Chair.

Militia and Defence—allowances, active militia, $120,000.

Mr. MACKENZIE KING: What is the explanation of the increase of $20,000?

Mr. GUTHRIE: These are allowances to corps of active militia; they are authorized under articles 445 and 464 of the pay and allowance regulations. They include allowances for command pay and drill instruction; allowance for care of arms; postage allowance, and what are known as contingent allowances. I understand that this is practically the same amount as was voted annually before the war. Last year, as the committee are aware, many of our militia Estimates were in a state of disorganization, due to the recruiting which had gone on during the war. Full allowances were not paid. Certain allowances were made to commanding officers who had managed to keep together the nucleus of a corps. Many of these commanding officers had devoted a great deal of time in connection with their corps to the work of recruiting for the overseas forces and to them limited allowances were made, on a scale, I think, of fifty per cent of the regular allowance. We have provided, of course, for the establishment of a larger number of militia units than heretofore, as I explained this afternoon. The infantry regiments are slightly increased, to the extent of four or five in number,—perhaps six. The number of batteries of artillery is increased by about twenty-five. In addition there will be a machine gun corps. The commanders of these corps will be entitled to the usual pay

and allowances authorized under the pay and allowance regulations. It is to meet these additional charges that the extra $20,000 is asked for.

Sir SAM HUGHES: The member for West Edmonton (Mr. Griesbach) has just taken the opportunity of reading me a little lecture with regard to some remarks which fell from my lips this afternoon. I do not stand here to retract in the slightest degree what I said to-day, although it was spoken on the impulse of the moment; on the contrary I am prepared, if necessary, to go much further. I pointed out to-day that a propaganda had been carried on to boom Sir Arthur Currie. I am prepared to prove it before a committee of this House. I have documents in my possession which will prove all I have said to-day and much more —that he had been the willing victim, if not the instigator, of one of the most successful propaganda that has been carried on in any land. For instance, on the night of the 29th of September, 1918, newspaper accounts were all drafted and prepared of the capture of Cambrai, the capture of Ramillies and of places in and around the city of Cambrai. Great descriptions were prepared to indicate that Sir Arthur Currie had done this and Sir Arthur Currie had done that—I myself saw a copy of the document. But, Sir, unfortunately instead of the victory which was referred to our poor boys fell that night to the extent of upwards of twenty thousand men and the propaganda had to be held back. But the object of my remarks to-day was not to expose General Sir Arthur Currie, because I created General Sir Arthur Currie. General Sir Arthur Currie was a fairly successful Colonel of a battalion in Victoria at the outbreak of war. One would have naturally supposed that being in command of a battalion he would be one of the first to volunteer. But up to the present hour General Sir Arthur Currie has never volunteered to serve in this war. I found that there was dissatisfaction with the soldier; that everybody seemed to look to Colonel Leckie, to command the brigade from the West.

When I found that out, a friend suggested to me that if I could induce Col. A. W. Currie to come and fight, he might possibly allay the opposition, and as he was not as well known as Col. Leckie, he might be acceptable to some of the battalion. I accordingly wired Col. Currie, as he was at that time, brought him from Victoria to Valcartier, placed him in command of a brigade, and let me say to my hon. friend (Mr. Griesbach), who should know the facts of the case, that I retained Col. Currie in command of the brigade under conditions when no other officer in the British Empire would have retained a man under similar conditions. I sent him to the front and I maintained him there. I shall not refer to the fact that for part of two years he allowed another officer, Col. Jack Currie, to remain under the odium of being a coward, of running away and hiding in a British dugout and being kicked out by a British general. I spoke to General Currie about this matter. Indeed, I felt so keenly about the matter that when I met Col. Jack Currie, who was so stigmatized, I declined to shake hands with him, feeling that any officer who was in command as he was should not desert his colours but should stand to his guns. About a year later, in conversation with a British officer, I learned that this man who had gone into the dugout was a big officer and that he was Col. A. W. Currie. I got the facts sifted out little by little when I was over in the Old Country until the truth was forced upon me that it was not Col. Jack Currie of Toronto who had done the retiring, but Col. Arthur Currie, who commanded the brigade, the Fifth, Tenth, and a couple of other battalions, in the battle of St. Julien.

Mr. BURNHAM: Did not General Sir Arthur Currie demand that that statement be taken back, and was it not taken back?

Sir SAM HUGHES: No. General Currie admitted over his own signature that he went into General Snow's dugout. He did not go to Ypres, but he went to Pottinje, which is only 300 yards from the village of Ypres, where General Snow's headquarters were. His statement is that he did not go back to Ypres, but the fact is that he went within 300 yards of it. He admits in his letter that he went there nominally to ask for reinforcements. When we got the facts of the case, we found that General Snow ordered him to leave the dugout and used very strong language, which I shall not mention here.

Mr. CANNON: If such be the case, how could General Currie be promoted afterwards as he was?

Sir SAM HUGHES: General Currie was promoted before these facts were known. Had I remained in office six weeks longer, not only General Currie, but several other officers would have been asked to hand in their resignations. I was confusing the two Curries. When General Currie made the definite statement that he had not been

in Ypres, I accepted his word; but I did not know that he was quibbling on the statement, and that he had gone to the village or farm of Pottinje, which is only 300 yards from the village of Ypres. He admits having gone there and he was ordered out by General Snow. The facts may just as well be known. I was not the man to bring up General Currie's name; but there is an apparent determination on the part of certain gentlemen to force General Currie's name to the front, and by doing so they are backing General Currie in place of better generals than he is or ever knew how to be. Why do they not come out and sing the praises of General Turner and General Lipsett and other generals who have served their country nobly and well and who have no propaganda? But the eternal propaganda seems to be General Currie and General Currie alone. If they want the whole story, we will give them a great deal more than has been said. I have not thrown out anything about General Currie; it has been thrown out by this eternal tooting and propaganda in favour of General Currie to the exclusion of Turner, Lipsett and a number of other generals who are infinitely his superior in tactics, strategy and in personal courage. The question of tactics and strategy in this war largely consists in "go on, go on, go on." The plans were laid in the office of General Foch, with the exception of the last Cambrai fight; I understand that the plans for that battle were the tactics and strategy of General Currie. I have no hesitation in saying that many Canadians would be above the sod to-day if he had not carried out his tactics and strategy in relation to Cambrai. As is well known and admitted on every hand, the plans for other actions were largely made in General Foch's office and were so carried out.

I want to correct my hon. friend (Mr. Griesbach) in the statement that there is any personal animus on my part towards General Currie. I created him; I backed him as no person ever before backed another in the history of warfare; I saw him through again and again; but when I found out over this Jack Currie matter that General Currie was the man that was there and that he was quibbling over the statement that he was not at Ypres, I had no great respect for General Currie's honour as a man in relation to his duty towards his fellowman as exemplified in his conduct towards Col. Jack Currie. As regards my carrying on of a propaganda against General Currie, what I have done is to stand by the rights of other officers. I consider General Turner—and I think I am as competent a judge as is in the Dominion or in the Empire; if I do say that myself, I have proved it—

Some hon. MEMBERS: Oh, oh.

Sir SAM HUGHES: A smirk and a smile are easy, but I want to tell the Minister of Militia and other hon. members who smile, that my record is there and shows that if my plans had been carried out from beginning to end, there would have been a different showing in this war. I will stand by the gentlemen whom I know to be true and gallant soldiers, who deserve something done for them by the Government of this country in place of having to read every day of their lives about propaganda in favour of General Currie, who is unfit—and I say so advisedly—to be compared with them as a general and who is not their equal in other regards.

The CHAIRMAN: Before this debate continues any further, it is the duty of the Chairman to remind hon. members that it is not relevant to the question before the Chair at the present time. I understand this is a reply made to certain remarks of the hon. member for Edmonton West (Mr. Griesbach) when the House was sitting as a House and not in committee. I am quite sure that if the hon. member for Edmonton West desired to say a word, he would be allowed to do so by the unanimous consent of the committee, but I do not think it would be proper to continue this debate and overlook entirely the item which is now before the committee for its consideration. The question of the conduct of the late war might be relevant upon the demobilization vote—I understand there is still this year a vote for demobilization purposes—but it is certainly not relevant to the item under consideration.

Mr. MACKENZIE KING: May I ask the minister kindly to repeat the figures as to the increases in infantry regiments and batteries of artillery?

Mr. GUTHRIE: I understand that before the war there were 101 infantry regiments; there are now some 106 in process of organization, and when organization is completed, there may be possibly 109 or 110. There are 14 machine gun units which are new and about 25 batteries of artillery which are new.

Mr. MACKENZIE KING: The Estimate for last year voted by this Parliament for the active militia was $100,000. This year the minister is asking Parliament to increase the Estimate for this purpose to $120,000, a sum equal to that which was spent for the active militia in the year immediately preceding the war. The minister has just explained that this additional increase of $20,000 is to permit the Militia Department to increase the number of infantry regiments by about nine, to establish 25 new batteries of artillery and to establish 14 machine gun units.

I think that when we have before us, as you have just mentioned, Mr. Chairman, a vote for demobilization purposes of $38,000,000, we might well ask the ministry to refrain from seeking to get from Parliament increased amounts to the extent of $20,000, for these additional infantry regiments, batteries of artillery, and machine gun units. What does the minister want these new infantry regiments for? What does he want these batteries of artillery for? What does he want these machine gun units for? Does he contemplate invasion from abroad, or does he expect revolution at home? He has given us no evidence this afternoon of any danger from abroad, and so far as the internal condition of the country is concerned, I would tell him that he will do infinitely more to create unrest in Canada if he uses the money of the people of this country for increasing infantry regiments, batteries of artillery, and machine gun units at this time, than if he took the opposite step and began to reduce them. When we take these proposed increases into account, along with the intention which was expressed by the minister this afternoon of asking Parliament in the course of the next few days for an additional $2,000,000 to establish barracks at different points throughout this country for a permanent force, and take into account also the proposal of the President of the Privy Council (Mr. Rowell) for an additional $500,000 for the mounted police, it is perfectly evident that the Government has made up its mind to substitute for a militia in this country a standing army, and that we are facing at the moment the nucleus of a standing army in Canada. That is a condition which every country after a war has been more or less threatened with. I may say to the minister that any movement of that kind on the part of the Government cannot be too strenuously resisted, and it will be resisted as strenuously as it possibly can be by hon. gentlemen on this side of the House. We do not wish to impair in any way the efficiency of the militia service of this country. For a little time the militia, I imagine, will welcome something of a rest in many particulars. Economy can be exercised in military matters as well as in other branches of the public service. When we are refusing to expend public money for post offices, custom houses, wharves, and on many other different matters for the public use, I think we can well afford to cut down on this standing army proposition. I do not wish to make a suggestion to the committee which will in any way embarrass legitimate expenditure for the active militia, but I think that if the Government were to ask Parliament to give the same amount this year as was voted by Parliament last year they would be getting ample for their purpose. To go beyond that, I believe, is to run into an extravagance that is wholly unjustifiable. For that reason I would move that this item be reduced by the amount of $20,000, which is the amount of increase in the item over what last year was appropriated by Parliament for this purpose.

Mr. GUTHRIE: Notwithstanding the information that I sought to give to my hon. friend this afternoon he still seeks to make comparisons between this year's proposal and last year's proposal, and because this item exceeds by $20,000 the item of last year, he says it should be reduced by that amount. Now last year was not a fair year to base judgment upon. Last year was a thoroughly irregular year in expenditure. Last year, as a matter fact, only $54,000 was expended on this item. Our militia units were disorganized owing to the war, but those commanders who kept some remnant of their units together and who had become valuable as recruiting agents for the expeditionary force were allowed half pay for this service. This item is based on the year before the war, which was a normal militia year. It is strange to hear my hon. friend the leader of the Opposition speaking of this great "standing army" that this Government is trying to establish. There is nothing further from the thought of the Government. There is no standing army mentioned or concerned in the item now before the committee. It is purely and simply to make provision for that small allowance which from Confederation onwards has been given to the commander of every militia unit for looking after his corps. A dollar a

head per man is allowed for the care of arms, $10 or $15 for postage and about $10 for contingent expenses, telegrams, express and the like. That has been paid to commanders of units since Confederation. This item of $120,000 is based exactly on the pre-war allowance. We have not increased it by one dollar. We have in contemplation, however, organizing the new units I have mentioned. They are militia units; they are for the good of the people of Canada. They are not a standing army; they are a matter of physical training just as much as of military training. I think my hon. friend, if he is going to reduce any of these items in the Estimates as laid before Parliament, might surely have taken some item on which there was some reasonable ground to contend that the Government was entering upon a scheme of extravagance. This is the small regimental pay the commander of a unit is entitled to receive for all purposes. We are not increasing it at all. It is just the same as it was the year before the war, and I would ask the committee to adopt the item as it stands.

Sir SAM HUGHES: I think the leader of the Opposition is in error when he refers to this item as helping to build up a standing army. This vote is not intended for anybody but the administrative officers of the non-permanent active militia. If my hon. friend would make himself familiar with the expenses of the officers commanding these units, he would consider the item very small indeed. So far as I am concerned, I was talking with some officers today, not dreaming these Estimates were coming up, and I said I thought this item should be materially increased in justice to the officers, who have to go to a great deal of expense organizing these various units throughout the country. I am satisfied my hon. friend has made a mistake in thinking this item refers to the permanent corps.

Mr. MACKENZIE KING: I fully appreciate what my hon. friend has said. I realize that this expenditure is for the active militia.

Sir SAM HUGHES: They are all active militia, but one is permanent, and the other non-permanent.

Mr. MACKENZIE KING: My mention of the standing army had reference to other amounts which we would be asked to vote, but which we have to take into account when estimating what should be voted on each item. The point I want the committee to realize is that we have had an intimation as to the large expenditure that is contemplated for barracks and other purposes, and we have just had an intimation from the minister that he wishes to establish these infantry regiments, batteries of artillery, and machine gun units. Now these come directly under this increase, and I feel that in view of the large expenditures that have been intimated and that indicate that we are heading in the direction of establishing a permanent force, we can well afford to be a little economical on this item as well as on the others. Reducing it by $20,000 will still leave $100,000, which is just $20,000 less than the amount expended in the year immediately preceding the war. When we are through with demobilization, there will be time enough to get back to the previous state, but let us complete one thing at a time.

Mr. MOWAT: Reducing this particular item would lead us into an injustice. My hon. friend the leader of the Opposition in his apparent eagerness to move for reductions in the amount of expenditure to support the militia has chosen a very bad item for his purpose and he now sees he has made a mistake and desires to make an explanation.

Mr. MACKENZIE KING: Not at all.

Mr. MOWAT: His explanation is not very satisfactory. It should have been patent to him, even from the discussion that has taken place, that he might very well rely upon the statements of those who know something about the militia before making this attack. The minister says that there have been nine or ten extra regiments organized in the militia. How does that come about? It means that as Canada extends into the further districts the militia units composed of men who want to take part in the defence of their country, desire to reorganize themselves into militia regiments. This has been permitted by the department, and if this reduction of $20,000 were made it would mean that the commanding officers of these regiments might suffer a reduction of the very proper allowances made to them. What are the allowances? I think they receive a dollar per man in the strength, and that is a very small amount to give to the commanding officer who starts a militia regiment. Hon gentlemen opposite who do not understand these things—

Some hon. MEMBERS: Oh, oh.

Mr. MOWAT: —ought to be told—

Some hon. MEMBERS: Oh, oh.

Mr. MOWAT: I understand that there are very few of them who have ever organized militia regiments, but those who have done so will realize that there is a great expense inseparable from the work. A man has practically to give up his time and business to get his battalion together, and it is a very small amount to compensate him for his work to give him this dollar per man on the strength. And after that he is very much out of pocket in connection with the work he does. The same thing applies to drill instruction. He is put to expense to get his men into shape; then there must be considered such items as the care of arms, postage, etc. So that if new battalions, struggling as they are in the remote parts of the country in an endeavour to get into shape for the defence of their country, are to be discouraged by the cutting off of the whole allowance for these expenses, what are we going to say to the officers who have undertaken the formation of these new battalions? I think it is a great pity that this item should have been the one pounced upon by the leader of the Opposition as a basis for a general attack.

Mr. MORPHY: I desire to say a word in support of the position taken by the hon. member for Parkdale (Mr. Mowat). An item of this kind takes my mind back to the period before the war and the immediate entry of Canada into the conflict. As one who observed the events of those days, I cannot fail to pay tribute to the gentlemen who composed the active militia of Canada for the way in which they took up the duties of active militia men and served to rally recruiting throughout the whole Dominion from one end of it to the other. They had served for many years during the time of peace because, being largely men from all classes of life, they had a penchant to engage in military work if even for temporary periods one after another. But when the war came this country witnessed as fine a spirit from the active militia of Canada as was ever shown in any country in the world. They immediately became real soldiers, left their places of business, went to recruiting stations, then to regimental headquarters, and formed the rallying points around which General Hughes can say that so much splendid work was done. These men capably handled the situation and fostered the patriotic feeling that developed when the war broke out. Now, there is no pay in it worth the name, and I am glad to see that the leader of the Opposition recognizes the principle of the item. He approves of the item itself but his objection is that it is $20,000 too much. Personally, I think it is probably $20,000 too little. I am afraid that in some items the Government of the day is too much inclined to cheeseparing. There are some items in regard to which I hold the opposite view; but as regards this item, from knowledge I have obtained locally in my own county and knowledge I have in regard to other counties throughout Ontario, I would say that this House should show its very best spirit towards the active militia of Canada, because they are serving as citizen soldiers. There is no element of pay in the work for them, and it is not even a small tribute to them that this item should be increased by $20,000. I have very much pleasure in supporting the item, although, as I said before, there are some items of which I am not so whole-heartedly in favour.

Mr. J. E. d'ANJOU (Rimouski): Mr. Chairman, I do not share the opinion expressed by the hon. member from Parkdale (Mr. Mowat) whose militaristic views are well known to the House and the country. Everybody is aware that his most earnest desire is the establishment of military camps in Canada. Some resolutions he has moved in the House this year are evidence of such a desire. For my part, I want to protest in the most energetic manner against the Estimates which the hon. Minister of Militia (Mr. Guthrie) is asking Parliament.

It seems to me that the war just ended cost enough in blood and treasure and that all such things should be relegated to the past. If I understand aright, the war beyond the seas was fought for the destruction of militarism in general and Prussian militarism in particular; hence I feel that the present is not time to set up a military regime in Canada. For my own part, I am an anti-militarist last-ditcher, because I believe that militarism leads to imperialism. As the hon. leader of the Opposition pointed out this afternoon we are spending this year for the Militia, the Mounted Police and our future navy, $60,000,000. It appears to me that the part of wisdom would be to spend no more money for purposes of destruction. Personally I have not the slightest intention of voting one single penny for either the Militia or the Navy. I thank goodness, the war is over. The League of Nations has been established and, according the Hon. President of the Privy Council we are members of this League which was founded for the prevention of future wars. It is therefore useless for Canada, in the face of

a huge national debt of $3,000,000,000, to spend for military purposes the amount which the Government is asking the House to vote this year; rather should this amount be held in reserve and used to wipe out a part of the enormous burden incurred through our stupid extravagance during the war.

Mr. Chairman, I have nothing further to say. I am opposed to all militarism, as a matter of principle. The voters I represent think as I do and it behooved me as their spokesman in Parliament to lodge an energetic protest against the expenditure which this Government seeks to incur not only for the Militia but for the Navy.

Mr. CRERAR: I should like to ask the minister why it is considered necessary to increase the artillery units and establish machine gun corps at the present time. I believe the overwhelming desire of the Canadian people is to get away from military expenditures. I quite appreciate the fact that we may not yet have sufficiently progressed towards the millennium to be ready to abolish entirely such expenditure.

But there is a change in the world; everyone is hoping that the horrors and perils of war are largely at an end in this poor old universe of ours. I really cannot see the purpose of extending our military establishment in Canada in the way I understood the minister to say was proposed by the addition of new artillery units and other arms of the service hitherto unknown to us. I would like to see Canada set an example to the world, even if we are only a small country numerically by keeping away from increased military expenditures. We all know the moral effect of these expenditures. It is an easy thing to create an atmosphere that accustoms people to uniforms, soldiers and all the accoutrements of war, but it is not war that we want to see at the present time. We want to see a condition of affairs brought about which will enable us to get away from this sort of thing. I would like to see the Government—I am not saying for a moment it is not doing so—do everything it possibly can to encourage the idea underlying the League of Nations proposal to bring about conditions throughout the world that will make war largely impossible in the future. I recognize the immense value that the militia has been to this country. I recognize the value there is in the physical training that accompanies it. But I must say I do look with a feeling of depression on the idea of adding to our military establishment in the way it is apparently proposed by the minister. Let us see if we cannot get along for a few years at any rate without any additional expenditure. After all this is a practical question. Whom are we preparing against at the present time? The Government may have some information that the House has not got, but if the Government are proposing to add to the military establishment that we had in this country prior to the war I think the House is entitled to the reasons why they are asking for this vote.

Mr. ARCHAMBAULT: I understood my hon. friend the Minister of Militia to mention 25 batteries as being the new artillery unit. I would like him to give the House an idea of the cost of these new batteries.

Mr. GUTHRIE: Do you mean the equipment of the batteries?

Mr. ARCHAMBAULT: The equipment of the artillery.

Mr. GUTHRIE: The artillery we have? I cannot tell what it did cost. We purchased it and used it for the war; it has been reshipped to Canada. I believe it is artillery of very high quality. The same observation applies to the machine guns. It involves no new expenditure in either branch. We have the guns to equip these new batteries. That is perhaps one reason why the batteries are authorized. The fact that we are increasing on paper the number of units does not mean that numerically we are increasing the force of men. The units are not, and will not be, up to strength; but it is very useful, where you cannot get a regiment of 600 or 700 men, to have one of 100 or 200. The estimate for annual training is based on the training of 80,000 men whereas the year before the war the number was up to 100,000. We have more corps and I think something might be said in favour of the diversity of services. There is no doubt that any country now that seeks to maintain a force of militia—I do not care how insignificant it is—must adopt the machine gun system. That was one of the great secrets, one of the great developments, of the war. We were no sooner in the war than we realized that. Now we have the guns. We also have a large number of trained men in Canada. We want to induce them to go back into the units with their experience and for that purpose we want to constitute the units. It is the same as with the artillery. The artillery

is a very important branch of the service, it was so considered prior to the great war and it was tremendously developed in the war. Some of the ablest gunners in the world live in this country. We have some of the most modern and up-to-date artillery in this country. We do not propose to let it rust and rot, but in so far as is reasonable we propose to make use of it. On the next item I had expected to explain to the committee that our proposal in regard to the militia only involves 80,000 men as against 100,000 in pre-war times. While we have more units, we have no more men. Our numerical strength is not any greater at the present time than it was before. My hon. friend from Marquette (Mr. Crerar) looks forward to the day when disarmament shall be the general thing throughout the world. While that does sound good it may be a long way from now. I have heard it said that the United States would indulge in disarmament after the war, but I have a clipping from the New York Times of last week saying that they have just passed through Congress a Bill authorizing an expenditure of $465,000,000 on military matters this year which is far and away above any pre-war expenditure for similar purposes. Of this amount $40,000,000 is for an air service which they did not have before. I am sure that my hon. friend from Marquette will take a reasonable view. Does he agree with me that back in the days of the Laurier Government we had a modest establishment which was something fitting to the country? If he does that is about where we are going to land with this estimate. The sum $6,000,000 $7,000,000 or $8,000,000, was voted in those days. You can double that amount to-day. The cost of each private in the force at that time was $1.58; to-day the actual cost of a man is $3.26, or more than double. Twelve million dollars looks pretty large. In pre-war days it would be $6,000,000 or $7,000,000. Our force is no greater. Our permanent force, or our standing army, is only 555 men more than before. If we had a modest, reasonable equipment before the war that is what we are going to have now. But we cannot have these two things at the same price. My hon. friends opposite are shocked at the amount. Let them consult their own private affairs as to the question of cost. Things have doubled up; we know it; it is not only here; it is all over. Now, if we were attempting to expand our militia into an active force of, say, 100,000 men and a permanent force of 5,000 or 10,000 men, the figures instead of being those I have submitted would be $25,000,000 or $30,000,000. It is the modesty of the number that commends itself to me, and the reasonableness of the cost, having regard to present prices.

Mr. ARCHAMBAULT: Am I right in understanding the minister to say that no new artillery will be bought?

Mr. GUTHRIE: Yes.

Mr. ARCHAMBAULT: Then I would like the minister to listen to a despatch which was published in the Montreal Star of December 20, headed, "To ship artillery for Canada's use. General King now inspecting full equipment in England." The despatch proceeds:

> General H. B. King, of the Canadian Artillery, has arrived in England to inspect the artillery which is being shipped to Canada for use of the Militia Forces. A full equipment is being acquired here for four divisions and one cavalry brigade, with the exception of Mechanical Horse Transport.
>
> I understand that much of this such as the Webb equipment of rifles for artillery, is desired for use in summer training next year.
>
> Canada has established a credit with Britain, when it turned in hundreds of thousands of dollars worth of stores in France after the Armistice.
>
> This credit now being utilized to acquire the necessary modern military equipment. Much new stuff is included, while all must pass tests as being serviceable. For motor vehicles turned in to the Imperial authorities, Canada is credited with prices received from the sales of surplus vehicles last June and July, when the highest prices ruled.

It seems to me, Mr. Chairman, that this despatch contradicts the answer given to me by the minister. He states that no new artillery will be bought.

Mr. GUTHRIE: That is right.

Mr. ARCHAMBAULT: I would like to know from him if this despatch is right or not, because it is contradictory of his statement.

Mr. GUTHRIE: I cannot tell about the despatch. I am not bound by the despatch in any shape or form; I am bound by my own statement.

Mr. ARCHAMBAULT: I know that.

Mr. GUTHRIE: Well, I would like that understood by my hon. friend. Anything that the Montreal Star publishes may or may not be correct. The facts are as I have stated them. That equipment is our equipment. We had a tremendous amount

of equipment in Great Britain, France and Belgium. We turned in to Great Britain all the equipment which we did not want, and which they could use. We took from them what we could use out of the general pool in exchange for ours, and instead of bringing back here an unnecessary number of top coats, boots and the like, we brought back the guns we did want. These are the guns General King selected, and these guns are now in Canada. We have a full supply of artillery and machine guns, and we are not purchasing.

Mr. CANNON: When was General King sent to England, may I ask?

Mr. GUTHRIE: I am informed it was the beginning of the present year that he was sent over to make these selections. I cannot give the exact date.

Mr. CANNON: Who gave him his instructions?

Mr. GUTHRIE: He went by the instructions of the then Minister of Militia.

Mr. CANNON: Who was the Minister of Militia then?

Mr. GUTHRIE: My predecessor.

Mr. CANNON: General Mewburn?

Mr. GUTHRIE: Yes.

Mr. CANNON: Did General King make a report?

Mr. GUTHRIE: He is not back yet. He has just returned, I am told.

Mr. CANNON: I understand that the General is not back, and has not made a report. That being so, is the minister in a position to state to the House as positively as he did a minute ago, exactly what the General has done in England?

Mr. GUTHRIE: Yes. I am so informed by my own deputy, who is very familiar with the facts.

Mr. CANNON: How many guns were taken over by General King?

Mr. GUTHRIE: I have not the details by me; I suppose they could be furnished during the discussion.

Mr. CANNON: Are those guns of big or small calibre?

Mr. GUTHRIE: They are not all the same; there are 18-pounders, 4.5's, and other guns. There was a selection made of what we anticipated would be required by our service.

[Mr. Guthrie.]

Mr. CANNON: What is the value of those guns?

Mr. GUTHRIE: I could not give that to my hon. friend. Probably the information could be obtained, though.

Mr. CANNON: I would like to have the information, because the minister stated that an exchange was made as between the Canadian Government and the Imperial Government, that a certain quantity of supplies were turned over to the British Government, and that in exchange the Canadian Government took these guns. So I think it would be most interesting for the committee to have the information I am asking for. The minister has all his officials all around him and it ought to be easy for him to give that information.

Mr. PECK: I might perhaps rise at this point to inform my very good friend from Dorchester (Mr. Cannon) that the Canadian artillery especially the heavy artillery, was probably the best and most efficient at the front. I am sorry that he had not the same opportunities of observing it in action as I had. I say this in no taunting spirit, for I am very friendly with the hon. gentleman. I rise to deplore the tendency, so prevalent at the present time, to discredit our militia system,.

Some hon. MEMBERS: No, no.

Mr. PECK: Well, all right.

An hon. MEMBER: We have no money.

Mr. PECK: If I am wrong I am very pleased to be put right.

An hon. MEMBER: You are wrong in that.

Mr. PECK: My hon. friend from Victoria (Sir Sam Hughes) will tell you that it has been the policy of this Parliament to starve the Militia Department in all those votes that should be appropriated to it. I myself think that we cannot do better than establish a strong voluntary system. And I would recommend this to my hon. friends opposite. If you do not want conscription, if you do not want universal training, the best thing to do is to have a strong voluntary system. To accomplish that you have got to give the Militia Department something to go on with, and you won't get anywhere by trying to deprive the minister of the vote he wants to get through. I think he is altogether too modest in his requests for supply, and personally I think

we cannot do better than give him support on this vote.

Mr. CANNON: In answer to my hon. friend from Skeena (Mr. Peck), Mr. Chairman, I only wish to say that the members on both sides of the House admire very much the courage of which he gave many a proof overseas. We are also gratified to have among us an officer who bears on his breast the highest decoration that the British Empire can bestow—the Victoria Cross. But I may add that I have always been under the impression that all heroes, like the member for Skeena, had two main qualities, first, bravery—and certainly the hon. and gallant member has it—and, secondly, modesty. The second quality he has not shown so well to-night. Before the hon. and gallant member interrupted me I was asking the minister about the artillery which had been bought in England. I will not be satisfied to let this item pass until the minister gives us that information, no matter what members on the other side may say. We are entitled to that information and we wish to have it. The minister makes positive statements. It is easy for him to be very positive and I would like him to give us the information that is asked for. Unless he gives it this item will not pass.

Mr. ARTHURS: Mr. Chairman, I rise to a point of order. This item has to do with pay and allowances of the active militia, it has nothing to do with the purchase of artillery.

The CHAIRMAN: I did not interrupt the member of Dorchester (Mr. Cannon) because I felt that his remarks had been occasioned, to a certain extent, by the explanation given by the Minister of Militia, but the point of order is well taken. The item at present before the committee is a vote for "Allowances, Active Militia"; and has nothing to do with the purchase of artillery and supplies. I am obliged to rule that the discussion which has just taken place is not relevant to the item under consideration.

Mr. ARCHAMBAULT: May I be permitted to point out that the minister has given as a reason for the increase in this item the addition of new units to the militia? Certainly when we are talking about artillery that has been bought in England for these new units we are quite in order.

The CHAIRMAN: I must point out to the hon. member for Chambly-Vercheres (Mr. Archambault) that he is not in order in discussing the ruling of the Chair after that ruling has been given. The rules of the House provide that a decision of the Chair is subject to appeal but cannot be discussed.

Mr. ARCHAMBAULT: I submit, Mr. Chairman, that before you decided the point of order you might have asked hon. members to speak to it.

Mr. LAPOINTE: Quite right.

The CHAIRMAN: Order.

Mr. ARCHAMBAULT: I am simply pointing out a rule of the House.

The CHAIRMAN: Order.

Mr. CANNON: Mr. Chairman, bowing to your decision, I would continue the discussion of this item. The Minister of Militia pointed out that the number of artillery units ought to be increased because the country had at its disposal artillery which should be used. What was the number of artillery units last year and what will be the number this year?

Mr. GUTHRIE: I think there were exactly fifty in the Militia of Canada last year. The increase will be to seventy-five.

Mr. CANNON: There will be an increase of twenty-five?

Mr. GUTHRIE: Twenty-five batteries.

Mr. CANNON: What was the amount of artillery last year for the fifty units and what will be the amount of artillery used this year for the seventy-five?

Mr. GUTHRIE: The authorized strength last year was fifty batteries. But my hon. friend will understand that these batteries were not recruited last year; they were not drilled last year. Many of them had become greatly depleted since the outbreak of the war and existed almost altogether on paper. In the town where I reside there are two batteries of artillery, and I know that when there was a muster last year no members of it were left. They are trying now to reorganize these units. I think the same thing is pretty general all over the country, not only with the artillery, but with most of the infantry units as well.

Mr. CANNON: Under ordinary military rules, what amount of artillery would be used for fifty units and what amount of artillery would be used for seventy-five, supposing these seventy-five were in activity and not merely on paper?

Mr. GUTHRIE: Well, these are four-gun batteries; that would involve three hundred

guns. I am not sure whether there are four or six machine guns to each battery.

Mr. CANNON: So that last year with fifty artillery units we needed two hundred guns; this year, with seventy-five units we need three hundred, a difference of one hundred. Have we those one hundred guns in Canada?

Mr. GUTHRIE: I am informed that they are all here. I understand that they have all arrived now.

Mr. CANNON: Where did they arrive from?

The CHAIRMAN: Order. In view of the fact that a point of order has been raised I must direct the attention of the hon. member (Mr. Cannon) to the fact that under this item, he is not in order in discussing the question where or how these guns may have been obtained.

Mr. CANNON: I appeal from your ruling, Mr. Chairman.

Mr. DEPUTY SPEAKER took the Chair and submitted the question to the House in the following terms:

Upon the discussion in Committee of Supply of item 91 of the Militia Estimates respecting allowances to the active militia, the Chairman ruled that a debate concerning the acquisition of guns for the Artillery was not in order under paragraph 5 of rule 13, and from this ruling Mr. Cannon appeals to the House.

Mr. DEPUTY SPEAKER: Shall the ruling of the Chairman be sustained?

Mr. CANNON: I rise to a point of order. I contend that the Deputy Speaker of the House who presides over the Committee of the Whole cannot sit when an appeal is taken to the Speaker as Speaker. My second point of order is that the statement of proceedings in Committee of the Whole is not as complete as it might be.

Mr. DEPUTY SPEAKER: I declare that both points are not well taken.

Mr. CAHILL: Explain.

Mr. DEPUTY SPEAKER: The rule is quite clear, that when Mr. Speaker happens to be momentarily absent from the building, the Deputy Speaker takes the Chair and asks another member to make the report of appeal which he at once submits to the House. The report of the Chairman was prepared in consultation with, and with the assistance of the Clerk Assistant, and under the rules and the well-established custom of this House the report as submitted to the Chair must be accepted.

[Mr. Guthrie.]

The House divided on the question: "Shall the ruling of the Chairman be sustained?" And the ruling was sustained on the following division:

YEAS.

Messrs.

| | |
|---|---|
| Anderson, | Henders, |
| Armstrong (Lambton), | Hughes (Sir Sam), |
| Arthurs, | Johnston, |
| Ballantyne, | Kennedy (Glengarry and Stormont), |
| Ball, | Knox, |
| Best, | Lalor, |
| Blair, | Lang, |
| Blake, | Mackie (Edmonton), |
| Bolton, | Maclean (York), |
| Borden (Sir Robert), | MacNutt, |
| Bowman, | McDonald, |
| Boyce, | McGibbon (Muskoka), |
| Brien, | McGregor, |
| Burnham, | McIsaac, |
| Calder, | McQuarrie, |
| Caldwell, | Manion, |
| Casselman, | Martin, |
| Chaplin, | Morphy, |
| Charlton, | Mowat, |
| Charters, | Munson, |
| Clark (Bruce), | Myers, |
| Clark (Red Deer), | Nesbitt, |
| Clarke (Wellington), | Nicholson (Queens, P.E.I.), |
| Cockshutt, | Nicholson (Algoma), |
| Cooper, | Peck, |
| Cowan, | Reid (Grenville), |
| Crerar, | Reid (Mackenzie), |
| Cronyn, | Richardson, |
| Crothers, | Rowell, |
| Crowe, | Sexsmith, |
| Cruise, | Sheard, |
| Davis, | Simpson, |
| Douglas (Strathcona), | Smith, |
| Douglas (Cape Breton S. & Rich.), | Spinney, |
| Edwards, | Stacey, |
| Foster (Sir George), | Steele, |
| Foster (York), | Sutherland, |
| Fraser, | Thompson (Weyburn), |
| Fulton, | Thompson (Hastings), |
| Gould, | Thompson (Yukon), |
| Green, | Thomson (Qu'Appelle), |
| Griesbach, | Tremain, |
| Guthrie, | Wallace, |
| Halbert, | Whidden, |
| Harold, | Wilson (Saskatoon), |
| Harrison, | Wright.—94. |
| Hartt, | |
| Hay, | |

NAYS.

Messrs.

| | |
|---|---|
| Archambault, | Fielding, |
| Bourassa, | Fontaine, |
| Boyer, | Gauthier, |
| Cahill, | Gervais, |
| Cannon, | Gladu, |
| Cardin, | Hunt, |
| Casgrain, | King, |
| Chisholm, | Lafortune, |
| Copp, | Lanctôt, |
| Delisle, | Lapointe, |
| Demers, | Lavigueur, |
| Denis, | Leger, |
| Desaulniers, | Lemieux, |
| Duff, | McCoig, |
| Ethier, | McCrea, |
| Euler, | McMaster, |

Mayrand,
Michaud,
Pacaud,
Papineau,
Pedlow,
Pelletier,
Prevost,
Proulx,
Rinfret,
Savard,
Seguin,
Sinclair (Antigonish and Guysborough),
Sinclair (Queens, P.E.I.),
Stein,
Tobin,
Trahan,
Truax,
Turgeon,
White (Victoria).—51.

PAIRS.

(The list of pairs is furnished by the Chief Whips).

Messrs.

Doherty,
Davidson,
White, Sir Thomas,
Tweedie,
Clements,
Stewart (Lanark),
Shaw,
Tolmie,
Loggie,
Wigmore,
Argue,
Allan,
Armstrong (York),
Chabot,
Burrell,
Drayton, Sir Henry,
Kemp, Sir Edward,
Meighen,
Sifton,
Boys,
Bristol,
Buchanan,
Butts,
Bonnell,
Currie,
Elkin,
Finley,
Glass,
Fripp,
Middlebro,
Halladay,
Marcil (Bonaventure),
McKenzie,
Jacobs,
Pardee,
Molloy,
Bureau,
Verville,
Kay,
D'Anjou,
Baldwin,
Brouillard,
Déchêne,
Deslauriers,
Devlin,
Béland,
Du Tremblay,
Fafard,
Fortier,
Fournier,
Gauvreau,
Kennedy (Essex, N.),
Lesage,
McGibbon (Argenteuil),
Marcile (Bagot),
Murphy,
Parent,
Power,
Ross,
Vien,
Robb,
Leduc.

Mr. STEWART (Lanark): I was paired with the hon. member for Three Rivers (Mr. Bureau). Had I voted, I would have voted to sustain the ruling of the Chair.

Mr. CLEMENTS: I was paired on all party questions with the hon. member for Provencher (Mr. Molloy). Had I voted, I would have voted to sustain the ruling of the Chair.

Mr. TWEEDIE: I was paired with the hon. member for West Lambton (Mr. Pardee). Had I voted, I would have voted to sustain the ruling of the Chair.

Mr. SHAW: I was paired with the hon. member for St. Denis (Mr. Verville). Had I voted, I would have voted to sustain the ruling of the Chair

Mr. DOHERTY: I was paired with the hon. member for Bonaventure (Mr. Marcil). Had I voted, I would have voted to sustain the ruling of the Chair.

The House resumed in committee, Mr. Boivin in the Chair.

Mr. CANNON: What is the number of commanding officers?

Mr. GUTHRIE: There is one commanding officer for each infantry regiment, cavalry regiment, artillery unit and machine gun unit.

Mr. CANNON: Making a total of how many?

Mr. GUTHRIE: As nearly as I can recall, 105 infantry, 75 artillery, 14 machine gun, and 12 cavalry commanding officers.

Mr. CANNON: What is the amount of allowance received by the commanding officer of an infantry battalion?

Mr. GUTHRIE: The details are as follows:

(a) Command Pay and Drill Instruction.

To officers commanding regiments, etc., for N.C.Os. and men actually trained:—

Belonging to regimental staff.. .. $1.00 each
On strength of companies, etc.. .. .60 "
To commanders of Batteries, Squadrons, Companies and Departmental Units for N.C.Os. and men actually trained.. .. .. .. 1.00 "

(b) Care of Arms.

To officers commanding regiments of Cavalry and Infantry and individual units of other corps in sums ranging from $10 to $170 when there is no salaried caretaker, and from $5 to $100 when a caretaker is provided.

(c) Postage Allowance.

To officers commanding regiments and corps, from $2 to $15 annually, dependent upon strength of unit.

(d) Contingent Allowance.

To officers commanding Cavalry and Infantry Brigades at Camps of Instruction $10 for the period of the camp, and to officers commanding Independent Corps in sums ranging from $2 to $10 per annum.

Mr. CANNON: How many units are actually reorganized and active, instead of being simply on paper as mentioned by the minister a few moments ago?

Mr. GUTHRIE: The city corps are fairly well organized. There are 68 of them and their strength is estimated at 30,000. The rural divisions are not so well organized. I doubt very much whether in the province of Ontario there are more than two or three fully organized rural battalions. Some of them are organized ten, some twenty, some twenty-five, and some thirty per cent of their strength. The artillery batteries are organized to the extent of about 50 per cent. The machine gun units are all organized and the officers have been appointed, but they are only recruited up to about 20 per cent of their strength up to the present time. The cavalry regiments are all organ-

ized and officers appointed, the regiments being recruited up to about 15 per cent of their strength.

Mr. CANNON: Where are the 68 city corps located? How are they distributed by provinces?

Mr. GUTHRIE: I have not that information here or I would be very glad to give it. My hon. friend will find it in the red book called the Militia List.

Mr. CANNON: Who appoints the officers commanding these new corps?

Mr. GUTHRIE: The officer commanding is selected by a Selection Board. In the first place, the old officers of the regiment are called together and express their choice by a vote. The name submitted goes before a board specially charged with the selection of officers. After the board passes upon the name, it is submitted to the Inspector-General, and if approved by him goes before the Militia Council. If approved, it then goes to the Privy Council, and when approved there, the appointment is gazetted.

Mr. CANNON: What about the other officers?

Mr. GUTHRIE: The commanding officer selects his own officers and submits the list to the officer commanding the district to which the regiment belongs. When approved there, the list is forwarded to headquarters.

Mr. CANNON: Would the minister give the names submitted to the Militia Council for the Quebec regiments?

Mr. GUTHRIE: Does my hon. friend mean all Quebec regiments?

Mr. CANNON: No, the Quebec City regiments.

Mr. GUTHRIE: Does my hon. friend want the names of the men selected?

Mr. CANNON: I understood by what the minister said that the old officers of each battalion would meet and vote and then the names would be forwarded to the Militia Council.

Mr. GUTHRIE: The names would be forwarded in the first instance to the district commanding officer.

Mr. CANNON: Has the minister the names?

Mr. GUTHRIE: I have not, but I think I could get them from the deputy. The officer of the 9th Regiment is Colonel Chauveau; we cannot give the name of the officer for the 8th Regiment at the present time. These are both Quebec regiments. I believe they are the only city corps in Quebec.



Mr. CAHILL: What is the war record of Colonel Chauveau?

Mr. GUTHRIE: I understand his services were exclusively within Canada. I do not know the circumstances, but I must inform the committee in these matters I do not interfere in any way with the selections made by my responsible advisers. In every case I accept their recommendations, and of necessity I would not know the individual qualifications of the men. I could have the record of this officer looked up and furnish it to my hon. friend at a later date if he desires.

Sir SAM HUGHES: Colonel Chauveau was one of those excellent officers who served in Canada. He is a gentleman with a large family and when the war broke out he commanded the Rimouski regiment in Canada, securing volunteers.

Mr. LAPOINTE Colonel Piuze was in charge of the Rimouski regiment.

Sir SAM HUGHES: Colonel Piuze commanded it when it went to the front, but Colonel Chauveau had charge of the regiment in this country and turned out a fine body of men for Colonel Piuze to take overseas. Colonel Piuze would be one of the first men to say that Colonel Chauveau gave him every assistance.

Mr. LAPOINTE: There is no doubt about that.

Sir SAM HUGHES: I was instrumental in keeping Colonel Chauveau at home for organizing purposes of a very useful character. He could not very well be spared to go to the front at that time, and as Colonel Piuze was a younger man we kept Colonel Chauveau for organizing purposes. He is one of the best organizing and military officers in Canada.

Mr. CANNON: In the city of Quebec Colonel Chauveau is known as one of the best militia officers. As commanding officer of the 9th Battalion he will do well, and if the Government always chose as wisely as they did in this instance there would be fewer complaints.

Mr. CLARK (Red Deer): I should like to make a few observations which will differ

from the views expressed by my hon. friend from Skeena (Mr. Peck). I desire to make these observations at this moment in order to shorten, so far as I am concerned, the proceedings in regard to the rest of the militia votes. My hon. friend said that there was an impression in a good many quarters that the militia had been starved in Canada. Well, I feel that I am on sure ground when I tell him that, on the other hand, there is a very widespread feeling from one end of Canada to the other that it is very doubtful indeed whether the people have got the full value for what they have spent. That is the other side of the question, and I am not going to argue it; it exists in the public mind. My hon. friend, in a sentence preceding that in which he spoke of the starved militia, told us that the artillery branch—I think that is what he said—was the most efficient in the Canadian army.

Mr. CANNON: I rise to a point of order. I say that the hon. member is exceeding the limits of the item under discussion.

Mr. CLARK: On the point of order, Mr. Chairman, may I point out—

Mr. CANNON: I ask for a ruling.

Mr. CLARK: Surely the question of starving or feeding high the militia of Canada comes under a proposal to reduce the vote.

Mr. CANNON: I ask for a decision on my point of order, Mr. Chairman. I understand that when this item was first discussed the hon. member for Victoria (Sir Sam Hughes) made a speech along general lines. He was followed by the hon. member for Edmonton (Mr. Griesbach), who also spoke on general lines.

Mr. McMASTER: I thought it was on General Currie.

Mr. CANNON: The Chairman afterwards ruled that we would not be allowed to go beyond the strict limits of the item under consideration, and I contend, Sir, that a general discussion of the militia is now out of order.

The CHAIRMAN: I must point out to the hon. member for Dorchester (Mr. Cannon) that no general discussion has taken place, especially in so far as the hon. member for Edmonton (Mr. Griesbach) is concerned, because he has not spoken since the House resolved itself into Committee of Supply.

Mr. CANNON: He spoke to-night while I was here.

Mr. GUTHRIE: That was in the House.

The CHAIRMAN: While the hon. member for Dorchester is quite right in saying that a general discussion of militia Estimates, or a discussion of all the affairs concerning the militia of Canada, would not be in order, I am not prepared to say that the remarks of the hon. member for Red Deer have gone to that extent. I do not yet feel obliged to call him to order.

Mr. PECK: If I may interpose at this time, Mr. Chairman—

The CHAIRMAN: The hon. member for Red Deer has the floor.

Mr. CLARK: I was trying to give reasons, arising out of the views of our people on general military expenditure, why I shall vote for the reduction of $20,000 in this particular item. It appears to me that general observations on that question have a distinct bearing on the vote. I was saying that my hon. friend when he spoke of the starved militia, had preceded that remark by the statement that the artillery branch was the most efficient arm of the Canadian army. Now, if a starved militia in peace time makes the most efficient service in war time, my hon. friend's argument is rather in favour of a reduction. And there is this further general consideration, which also has a bearing on the point, namely, the the Canadian army, the product of two or there short years in a country small as to population and probably the most peaceful that entered the war, nevertheless was such as to carry as much terror to the hearts of the enemy as any other branch of the Allies.

Mr. CANNON: Order.

Mr. CLARK: My hon. friend further argued for a strong voluntary service. On that point he did not quite argue on the same lines as the minister. The minister is of course anxious to get his vote, and he recommended it to the committee, not along the lines of providing a strong voluntary service, but because, although there are 25 new units, they are not recruited up to full strength. While his military follower recommended this vote on the ground of a strong military force, my hon. friend the minister took exactly the opposite ground. On that point a very practical consideration arises in my mind. My hon. friend says that there are twenty-five new units and that these are necessary to get all classes of military service represented in the militia of Can-

ada. He says they are not recruited up to full strength. But, let me tell my hon. friend and the committee, that is just how militarism grows in a nation. We are told to-night that this vote should be given because these units are not up to full strength. I put it to you and to the committee: Will it not be the endeavour of those who are specially interested in militarism to get the units recruited to full strength at the earliest possible moment? That has been the history of militarism in all the nations of Europe. It will be its history here and it is for that reason that I at any rate want to guard myself by voting correctly on this item and on the general principle that our people are opposed to militarism. If the leasons of the late war are properly learned they have surely proved that the way to win a war is to have a good cause, a strong people and, above all things, the last shot in the locker.

That brings me to what is, after all, the most important consideration to guide the committee at this time in their general attitude towards military expenditures. My hon. friend talks of making the expenditure equal to that before the war. I am not sure whether the leader of the Opposition did not approve of that attitude in a moderate or mild way.

Mr. MACKENZIE KING: Not at all.

Mr. CLARK (Red Deer): The state of the finances of this country should be paramount in our minds on this and all branches of expenditure, and that is a point, which has been raised by others, that I desire to press home with all the strength of conviction and of expression I am capable of. We had a prosperous country before the war. We had a government in prosperous conditions financially. Thank God, we have a prosperous country yet which, if wisely governed, will bear all the burden that the war has cast upon it. But a wise government must be forthcoming, and it is not wise to multiply certain lines of expenditure to the enormous sum of $60,000,000 at a time when we are having to impose taxes of a totally new description, whose outcome is so doubtful, to meet this and other expenditures. We must get new taxation—yes, Sir, but we must cut down expenditures, and if we do not cut them on Estimates like this I do not know where we are going to begin.

Mr. PECK: I really feel that I should say that if a former remark of mine may have offended the hon. member for Dorchester (Mr. Cannon) I certainly spoke with a great deal of haste. I feel very strongly on the question of the Militia Estimates and of the militia of this country. If I did offend the hon. gentleman it was not meant from my heart. The hon. member for Red Deer (Mr. Clark), whom I agree with on economic questions probably more than any one in this House, made some broad statements against the Militia Estimates. I am going to ask my hon. friend: Are we going to defend this country or not? How are you going to defend it, if you have not a strong militia system? My hon. friend made some comparisons in regard to the militia before the war. It is our pride to think of what this country did in the war. Here we were, a young, untried nation. Nobody knew what we could do. They looked upon us as sort of Eskimos, or Indians that were buried in the snow. But, this young nation entered the war. The supreme moment came. Our soldiers went forth on the great battlefields of France and Flanders, where nations had struggled for centuries for the mastery of the world, and achieved great victories against the best army the world had ever known. But at the same time I do not know that they would have achieved any great victories if they had had no training. We wish to train our militia under the voluntary system and to bring them to a state of perfection.

Mr. CASGRAIN: Mr. Chairman, I rise to a point of order. I think the hon. member is going far beyond the limit. He is discussing and paying a tribute to what has been done during the war. I agree with him upon that point, but on other occasions the Chair has held that it would not be proper to discuss those matters on these Estimates.

Mr. TWEEDIE: There is one single word I wish to say—

Mr. CASGRAIN: Mr. Chairman, I want a decision on the point of order.

Mr. CHAIRMAN: Does the hon. gentleman (Mr. Tweedie) wish to speak to the point of order?

Mr. TWEEDIE: No, Mr. Chairman.

Mr. PECK: I do not want to stir up any more discussion of this nature, but I think we should all act as good, loyal Canadians in support of the minister on these Militia Estimates. Therefore, I am not going to interpose such remarks as I have been

making if they are going to offend hon. gentlemen opposite.

Mr. CASGRAIN: They do not offend me at all.

The CHAIRMAN: The point of order raised by the hon. member for Charlevoix (Mr. Casgrain) is that the remarks of the hon. member for Skeena (Mr. Peck) are not relevant to the item under consideration. I am not prepared to draw the line quite so severely as the hon. member for Charlevoix would have me draw it. I consider that the existence of the active militia of Canada and what it accomplished during the late war have a great deal to do with the vote of an allowance to the officers of the active militia, and in view of the fact that my hon. friend from Charlevoix voted just a moment ago that more latitude should be given, I would not feel justified in calling the hon. member for Skeena to order.

Mr. TWEEDIE: I wish to say one or two words with regard to the appropriation, whether that appropriation may relate to the naval, police or military service which we have under consideration at the present moment. The first, fundamental principle of any government is that we maintain peace and order throughout the length and breadth of our country from the Atlantic to the Pacific from the North to the South. I was very much surprised to read in the newspapers the utterances of one of the officers of one of the most prominent associations in this country, Mr. C. G. MacNeil, chief secretary of the Great War Veteran's Association. I trust that the newspaper report of his remarks is incorrect, and, if so, everything I say in regard to this question I shall very gladly withdraw. But, if that report is correct, we have a body of men in this Dominion who say that if they cannot accomplish what they desire by peaceful means, they will do so by a revolution. That is what a representative of the 500,000 or 600,000 men who fought in the great war is reported to have said: If you do not give us what we ask, then we shall have a revolution corresponding to the Russian revolution. Every one realizes—

Some hon. MEMBERS: Order, order.

Mr. TWEEDIE: There is no order.

Some hon. MEMBERS: Order, order.

Mr. TWEEDIE: Every one is aware that so far as the revolution in Russia is concerned—

Some hon. MEMBERS: Order, order.

Mr. TWEEDIE: —that so far as that revolution is concerned, even the American Federation of Labour which met in Montreal to-day, said: We will not back up that revolution, because its leaders do not represent the majority of the Russian people. When any man—

Some hon. MEMBERS: Order, order.

The CHAIRMAN: Under the ruling given a few moments ago, the hon. member in discussing the revolution in Russia is somewhat far afield from the item before the committee. I presume that he is referring to that revolution by way of comparison, but a strict interpretation of the rules would oblige me to declare that such a reference is not in order.

Mr. TWEEDIE: Mr. Chairman, I always bow to your rulings, because I regard them as the rulings of a gentleman who is eminently qualified to fill the position he occupies, and I shall refrain from any further reference to the revolution in Russia. But I want to tell this House that when any man—I care not whether he is a Tory or a Grit—

An hon. MEMBER: Or a Unionist?

Mr. TWEEDIE: —or a Unionist, or a Labourite, or a U.F.O., or a Great War Veteran's representative, or any one else—when he states that if a mandate issued on behalf of any organization is not complied with revolutionary means will be adopted to force compliance, then I say: Let us vote not only what the Minister of Militia asks for in this case, but let us vote more if it is absolutely necessary to maintain the honour, the dignity and the order which must be maintained in this country.

Some hon. MEMBERS: Oh, oh.

Mr. TWEEDIE: We are fighting for a few paltry dollars, but when we get utterances from men, who supposedly occupy prominent positions, that they will resort to revolution to enforce their claims—

Some hon. MEMBERS: Order.

Mr. TWEEDIE: —I say—

Some hon. MEMBERS: Order, order.

Some hon. MEMBERS: Go on.

Mr. TWEEDIE: My hon. friends say "Order, order." If they will take up the newspapers of Tuesday morning they will find a report of the meeting in this city that I refer to. I want to point out to

them that I premised my remarks by stating that they were based on the supposition that the report is correct. If the speaker at that meeting contradicts that report and says that he is not in favour of revolution, then my remarks fall to the ground. But if there is any man in the Dominion, I care not who he is—

Mr. PROULX: Louder.

Mr. TWEEDIE: —if he talks about revolution, I say: Let us vote this Estimate, and let us vote as much more money as may be necessary in order that we may maintain order—

Some hon. MEMBERS: Order.

Mr. TWEEDIE: —and maintain the authority of our Government, I do not care which party is in power.

Mr. LAPOINTE: Mr. Chairman, I fail to see how my hon. friend (Mr. Tweedie) will remedy the condition he is lamenting by increasing the vote for the militia. If there is one branch of governmental activity as to which the people of this country are opposed at the present time to grant any increased expenditure it is the Militia Department. It is all very well to say that in the pre-war period we were spending as much money as is asked for by this present item, but, as has been pointed out, there was money to spend at that time. Conditions have changed, and to-day we are facing an enormous debt,—a debt which cannot be paid by us but which future generations will have to discharge. At this time, when the people are bled white by taxation; this Government is juggling with taxes,—the taxes change colour every day, and we do not know to-day what new taxes will be imposed to-morrow. And why this heavy taxation? Because this enormours debt has been incurred to pay the expenses of a war that was to end all wars. That was the argument used in all parts of this country. This Parliament was elected and this Government was formed, it was alleged, to bring the war to a successful conclusion and so end all wars in the future. Yet we are asked to-day to vote an increased amount for the militia. I say that the people everywhere are opposed to any such increase. I can fairly judge public opinion as it is expressed in the newspapers of the country from the Atlantic to the Pacific, and I find that every one is in favour of reducing our military expenditure. Why should we increase it? At the present time a League of Nations has been formed, we are sending a representative to all its conferences, and we are paying our share of the money necessary to support that League. Other countries are decreasing their military expenditures, in spite of what has been said on the other side. I was reading an article in a newspaper to-day stating that in Great Britain a League to End War has been formed. Many men prominent in politics, in church and in civil life are members of that League, as also are gentlemen who served in the war cabinet of Britain. A deputation from that League had an interview with the cabinet of Mr. Lloyd George and asked for a reduction in military expenditures, and asked also that steps be taken for the purpose of avoiding future wars. They stated that the best means to accomplish this was to reduce military expenditures and to stop the manufacture of munitions and other war materials. The old saying that "if you want peace you must prepare for war," has been proved a fallacy, and people no longer believe it. It is sedulously circulated by the manufacturers of munitions.

Now, my hon. friends on the other side ask: Why did you oppose this special item? We are opposed to the whole increased expenditure on the militia. This item will have the fate of the other items, and I for one am going to vote for the amendment. My last word to the minister is: Accept the suggestion that our expenditure be not increased in any manner whatever. If we have any money to spend, let us spend it to cultivate the arts of peace.

Mr. TWEEDIE: What has taken place with regard to military and naval appropriations in Japan?

Mr. LAPOINTE: If my hon. friend is going to take Japan as his model, I am not going to take Japan as mine. I am a Canadian, and as some hon. members have said, let us give an example to Japan, not take one from her.

Mr. TWEEDIE: I do not want to take Japan as a model, but my hon. friend knows well that the recent war appropriations of Japan have been heavier than they were at any time during the war; they are proportionately heavier than those of any other country in the civilized world. My hon. friend's altruistic ideas may be very good. It is true that Great Britain and her colonies were in a state of unpreparedness when the great war broke out. I tell you that you must be prepared to meet your enemy.

Some hon. MEMBERS: Who is the enemy?

Mr. TWEEDIE: We must have a naval policy in the Dominion of Canada and a small start involving an expenditure of $2,500,000 is the very best start that we can make.

Mr. MACKENZIE KING: The hon. member (Mr. Tweedie) ought to be reminded, I think, that Japan was an ally of Britain throughout the war and that Canada's coasts on the West were protected by Japanese fleets during the war.

Mr. EDWARDS (rising):

Mr. TWEEDIE: Do you suppose that the Dominion of Canada—

Mr. EDWARDS: Mr. Chairman—

Some hon. MEMBERS: Order.

The CHAIRMAN: The hon. member for Frontenac (Mr. Edwards) has the floor.

Mr. EDWARDS: I would like to know whether I have to give way to all the lawyers in the House. If I have, then I will do it.

An hon. MEMBER: Let the Doctor speak.

Mr. EDWARDS: Not being a lawyer, I find it somewhat difficult to follow the reasoning of some hon. members who have presented their views. My hon. friend (Mr. Lapointe) condemns this item because there is an increase of $20,000 over the similar item of last year. He says that this is all wrong; that we should cut down our militia; that we were justified in time of peace in voting a similar amount for this purpose because, he says, we had the money then to spend. His argument, in effect, is that there was no need for the militia then, but that we had the money and that we were justified in throwing it to the four winds. The member for Marquette (Mr. Crerar) takes a somewhat similar view. He asks: "Why this expenditure? What enemy are you preparing to meet?" Well, if the hon. member takes that line of argument, what need is there for this expenditure at all? If he dismisses the question with the statement that there is no need for this vote because there is no prospective enemy against whom we have to guard, and if that argument holds good in regard to an increase of $20,000 in the item now under consideration, it holds goods with regard to every dollar voted for Militia and Defence. In the past we have voted millions of dollars in times of peace for militia purposes. There is no doubt that although the war is over there have been evidences of unrest in various parts of the country, as there have been in practically every country of the world. I am not in favour of throwing money about broadcast in militia matters. I do not believe in militarism, but I do believe in sustaining a force sufficient to maintain the dignity of Canada and to maintain order in this country in case of necessity. The minister has not exceeded the bounds of reason in asking the committee to give him a vote for $120,000 to meet the necessary expenses of those who will be called upon to form the personnel of these various units. Having regard to increased costs, $20,000 strikes me as an exceedingly moderate increase in connection with this item. The minister is keeping his militia Estimates well with in the bounds of what we considered right and proper before there was any war; in other words, he is keeping them within reasonable limits.

Mr. CRERAR: My criticism was based on the statement of the minister that he is increasing the artillery units and other arms of the service over and above what we had in pre-war days. I think that the committee is entitled to know why he is doing that. The minister states that there will be an increase of twenty-five artillery units but no increase in the personnel. Well, an increase in the number of units will inevitably lead to an increase in the personnel, and that is the point upon which I based my criticism. My hon. friend (Mr. Edwards) leaves it to be inferred that an increase in the military establishment is necessary to keep order in Canada. The other night when the President of the Council (Mr. Rowell), brought up his Estimates for the mounted police, he said that it was necessary to maintain a force of this kind for the preservation of law and order. I quite agree that if anything of this kind becomes necessary it is better to use a police force than to call out the militia. But I do not think it is necessary to have these forces to maintain law and order in Canada. The people of Canada are a law-abiding people. The surest way to invite disturbance is to leave the impression upon the minds of the people that they are liable to be put down by armed forces.

Mr. EDWARDS: May I ask my hon. friend a question?

An hon. MEMBER: No.

Mr. EDWARDS: I was directing my question to the hon. member for Marquette

(Mr. Crerar), not to any one else. The member for Marquette, if he admits the necessity for having, we will say, fifty militia units, will admit that with the expansion of the country and the opening up of new districts you cannot keep the number of units down to where it was ten or twelve years ago. If you make provision at all for militia and defence you must make provision for the expansion of the country and the opening up of new districts.

Mr. CRERAR: My hon. friend made an argument rather than asked a question, but I am prepared to answer his question. I do not think there is any necessity or justification for increasing the number of artillery units when we consider the amount of taxes the people of this country will have to contribute for federal purposes. That simply emphasizes the fact that there is no justification for the increase.

Mr. COCKSHUTT: I desire to say a word or two on behalf of the Estimate as presented by the minister. I regret very much that the leader of the Opposition (Mr. Mackenzie King) has considered it desirable and wise to question an increased expenditure of $20,000 over last year. There is no doubt, as has been very frequently shown in this House, that Canada is the most poorly defended country in the world to-day, and when the hon. member for Quebec East (Mr. Lapointe), and the hon. member for Marquette (Mr. Crerar), recommend that we begin disarmament, we have not in this country anythinng to begin to disarm as armaments go. The minister has told us that the United States are voting $480,000,000 for their army, and according to their own statement, they are going to have the largest navy in the world in 1924. Therefore, my hon. friends, who rely upon the defence of the League of Nations, who put their faith in the League of Nations—

Some hon. MEMBERS: Order.

Mr. COCKSHUTT: My hon. friend (Mr. Lapointe) stated that he put his faith in the League of Nations, and that was not disputed by my hon. friends opposite as being the correct argument. I do not want to discuss the League of Nations; I only mention it. I say: Do not put your trust in the League of Nations, but put it in the Estimates of the Minister of Militia, which are of a very modest character. I come from a city that has a few militia units in it. I know something of the self-sacrifice of the officers and men in those units, and they spend a great deal of their own money and an immense amount of their time in their country's service. That is what the militia of Canada has done for many years. The hon. member for Marquette (Mr. Crerar) says that the end of all wars is at hand, but I do not agree with him. The hon. member for Quebec East (Mr. Lapointe) says that we have just fought a war to end war, and that that was said on the platform in our part of the country. I was on a good many platforms, and I told every audience that I addressed on this question that they need not look for the end of all wars in our time or within a thousand years, unless humanity was entirely reconstructed from his boots to the top of his head. As long as humanity is as it is, we are going to have wars; and whether you have a league of nations or anything else, you must have a force that you can call to your aid when diplomatic effort fails. The hon. member for Marquette asked us to name the enemy that this appropriation is going to help to defend us against. It is not necessary to name an enemy; it would be a very unwise proposition to name an enemy, and my hon. friend, as a former minister of the Crown, ought to know that if we thought there was an enemy, the last thing we should do would be to name him. Let me instance to my hon. friend what might occur, and what I think he will agree might occur. There is a possibility that the United States and Japan might go to war.

Some hon. MEMBERS: Order.

Mr. COCKSHUTT: I say that is a possibility, and if such a thing—

Mr. CANNON: Mr. Chairman—

Mr. COCKSHUTT: If such a thing happens—

Mr. CANNON: I rise to a point of order. I think the hon. gentleman has no right to discuss the international relations of different countries, and in support of my contention I might quote to the Chairman a decision recently given by a Speaker of the British House of Commons—

The CHAIRMAN: Before calling the hon. member to order, I wished to see to what extent the remarks which he was proceeding to make referred to the item under discussion. If they are used as an argument to justify his vote in favour of this item in the Militia Estimates or if they are

used as an argument against the amendment moved by the leader of the Opposition, they would be in order. Until I have ascertained if they are to be so used I cannot call the hon. member to order.

Mr. COCKSHUTT: Now that the cannons of Dorchester have ceased to thunder for a moment, I will proceed.

Mr. CANNON: Give us a plough.

Mr. COCKSHUTT: I was going to state that in order to keep out of the war, a force would be necessary in Canada. Anybody knows that to break neutrality draws you into the war, and with a militia and a standing army as weak as we have we would have only five or ten men per mile of our frontier to see that neutrality was observed and to keep ourselves out of the war. It is necessary in order that we might even observe neutrality and keep ourselves out of the war to see that no act of war is permitted on our side of the line from the Atlantic to the Pacific. That is not an easy matter, because the whole frontier would have to be policed. Therefore, the Minister of Militia is asking for a very modest amount to overtake what might be considered a very grave situation in case anything of that kind occurred. As to all wars being ended, my hon. friends might as well say that all fires are ended because we have had an enormous conflagration that has burned up everything within a certain area and, therefore, we should discontinue insurance because no more fires are going to take place. As long as there is property left to burn, you are going to have fires; and as long as you have danger of fire, you want insurance, and this is a simple matter of insurance for the benefit of Canada, for the benefit of its citizens. Therefore it is only wise and, I think, a very moderate position that the minister takes when he asks us to vote only a few hundred thousand dollars. If the amount were $10,000,000 or $25,000,000, I would hold up both hands for it, and I am a man of peace; I have always been a man of peace.

Some hon. MEMBERS: Oh, oh.

Mr. COCKSHUTT: My hon. friends opposite are very fond of a scrap with the tongue in political matters; but if they think it is not at all possible that we should ever come to blows, I hope we shall not; but I submit that the incendiary speeches our hon. friends sometimes make lead to wordy conflicts, and wordy conflicts sometimes lead to blows between nations, and we have going on in the world to-day a large quantity of that. Therefore, it is only wise and considerate of this country and its citizens that we should have a militia force and, I should say, a small army as well—and it is a very small army, 7,000 men, I believe, all told. We cannot maintain our dignity and self respect in a League of Nations or amongst the nations of the world unless we have something to show that, if war breaks out amongst humanity, we are going to bear our share of the white man's burden according to our population and the extent of territory we have to defend. I trust my hon. friend across the way will withdraw his amendment and let this appropriation go through, because the amount is very moderate.

Amendment negatived: yeas 54, nays 69.

Mr. CANNON: Before the vote is registered I would like to ask if the vote given by the hon. member for West Hamilton (Mr. Stewart) has been counted?

Mr. STEWART (West Hamilton): Does the hon. member want to know what I was voting on?

The CHAIRMAN: The Assistant Clerk informs me that the vote of the hon. member for West Hamilton was not counted. I might point out that according to Parliamentary authorities the rule governing the vote in Committee of the Whole, is that any hon. member who is present in the Chamber when the vote is counted, has the right to vote. This is absolutely contrary to the rule governing the votes taken in special committees of the House and to that governing the vote in the House. I have never found a justification for the custom, but it is in existence, and therefore if the vote of the hon. member for West Hamilton had been counted, it would have been quite legal.

Mr. CAHILL: I would ask the hon. member for West Hamilton to tell us what he was voting on? Would the minister tell us how many cavalry officers have been appointed under this organization?

Mr. GUTHRIE: I have not the information here but I could give it to the hon. member the next time the Estimates are up.

Mr. CAHILL: What is the mode of appointing these cavalry officers?

Mr. GUTHRIE: My hon. friend must have been out of the House, because this is the third time I have given this information. The recommendation for a commanding officer goes first to a board of selection from

the old officers of the regiment. After being passed upon by that board, the name is submitted to the Inspector General. If approved by him, it is submitted to the Militia Council, and if approved by that Council, it goes to the Privy Council when, if approved, the appointment is gazetted. Every commanding officers is entitled to make his own slate of officers for his unit. He submits his slate to the commanding officers of the military district, who, if he approves, forwards it to headquarters, where it is dealt with, and the names are gazetted as in the case of the appointment of commanding officers. If the commanding officer of the district disapproves, the list is not forwarded, as a rule.

Mr. CAHILL: What is the increase in the number of cavalry officers appointed?

Mr. GUTHRIE: There have been twelve cavalry regiments organized to date, and there would be about twenty-four officers to each regiment.

Mr. CAHILL: About how many of an increase in the number of cavalry officers appointed?

Mr. GUTHRIE: My information is that there is no increase.

Mr. SINCLAIR (Guysborough): The minister told us that there was a decrease in the number of men from 100,000 to 80,000. Has there been a corresponding decrease in the number of officers?

Mr. GUTHRIE: The units have not been recruited. Many of them are recruited up to only 10 per cent of their strength, and the organization in some cases is only on paper, but they are starting out this week to get their men. Other units are recruited up to forty or fifty per cent; I should say that from fifty to sixty per cent is the highest. The proposal is based upon the number of regiments which I gave to the House. If these do not materialize the money will certainly not be spent, but we have to estimate for sufficient money to cover the possible expenditure.

Mr. SINCLAIR (Guysborough): What will happen if a rural regiment, for example, is recruited only up to ten per cent of its strength? Will the regiment be kept alive? Or will it be disbanded? What percentage is necessary in order to make it advisable to go on and train the regiment?

Mr. GUTHRIE: If a regiment should be recruited only up to ten per cent of its strength it would be disbanded. I am hopeful that we shall do better than that. If fifty per cent of the strength is not obtained the regiment is disbanded.

Mr. CAHILL: What percentage of officers, and what percentage of men is required if the regiment is to continue?

Mr. GUTHRIE: We have provided in the Estimates for training eighty per cent of the full establishment. We shall not get that percentage, but that is the basis of the estimate.

Sir SAM HUGHES: I would like to point out the importance of this item providing for allowances to officers of the active militia. The history of the war shows that a country without a militia is not nearly up to the level in manhood of a country with a trained militia. I suggest with all kindness that it would be the very best thing for the country if in every riding in Canada we had a militia corps in which all the young men could enroll. It has been pointed out again and again, as the records show,—and the clergymen of the country are behind the movement, realizing the strength of it,—that morally, mentally, physically and spiritually, the man who serves and has training in the militia of the country is better than the man who lacks that training. It has a tendency to build up a manly pirit, and among the lads who have returned from the front you will scarcely find one who has not improved physically, unless he has suffered wounds or been incapacitated. Those men who have not been injured are physically better as a result of their exertions, and their service has meant character and energy and inspiration to them. They are better than before they went into the service. And I would suggest to my hon. friends on both sides who have not joined the militia that they should do so and take the training afforded. At the end of six weeks or two months, I venture to say, there is not one of them who would not endorse every item the Minister of Militia presents to them along the line of a non-permanent active militia.

Annual Drill, $1,500,000.

Mr. MACKENZIE KING: This item for annual drill brings very forcibly before us the situation in regard to expenditures and the possibilities of economy. In the general discussion we have gone over a good deal of ground, and mention has been made of the enormous expenditures with which the country is faced. I should like to remind the committee at this stage, of the debate which we have just had on the

Budget and the figures which have been placed before Parliament by the Minister of Finance. I will not quote more than the Finance Minister's statement, in his introductory remarks, that at the present time the gross debt of Canada, according to the ledger, is $3,014,483,774.12 and the net debt $1,935,946,312.85.

Mr. MORPHY: I rise to a point of order. I believe there is a rule of the House that provides that an hon. member speaking to a motion in any debate cannot refer to matters that have been brought out in any previous debate of the same session.

Mr. LAPOINTE: You will not expedite business by these little exceptions, Brother Morphy.

Mr. MACKENZIE KING: I cannot understand why my hon. friend has risen to a point of order. When we are discussing Estimates and the amounts to be expended in this country, if we are not to be permitted to mention what the national debt is, then what are we to be allowed to talk about? We are confronted with the glaring fact that this nation at this moment has a gross national debt of $3,014,483,774.12, with a net debt of $1,935,946,312.85 which, as the Minister of Finance pointed out, is increased, after certain accounts are taken into consideration, to $2,273,305,436.92. We have been told by the Minister of Finance that the only possible way in which this debt can be reduced is by increased production on the one hand and retrenchment in expenditures on the other. Now, Sir, this item asking for $1,500,000 for annual drill compels us to ask whether at this particular time we are justified, in view of the plea of the Minister of Finance for increased production in order to meet the public debt and the ordinary expenditures of the country, in having any annual drill at all this year which will take from the farms and factories men who are needed first and foremost for productive purposes. I would point out that we have in this country at the present time an army of experienced men who need no drilling, men who have been through the war and have suffered its hardships. No amount of drilling in the world will make them more efficient than they are to-day, and until we are through with the work of demobilization we can well afford to dispense altogether with annual drills. That is the position which we on this side of the House take on this question, and we take that position on two grounds: First, that for the purposes of increased production, which is most essential at the present time, we should encourage men to engage actively in every work that will tend to that end, not even withdrawing them temporarily at this particular season; second, that if we can save a million and a half or a million and a quarter dollars on something that is wholly unnecessary, it is a saving which is all to the good at this time. Let me ask the committee a question. Last year the annual drill was dispensed with: Is there a single member of the House, or a single man or woman in the country, who feels that we are any the less secure in Canada to-day than if we had had that drill? And I ask the same question so far as the annual drill this year is concerned. If that drill is to be held it must be held within the next two months. Is there any hon. member in this House, or any man in the country who believes that the people will be one whit securer after the annual drill this year than they are at this moment? The item is wholly unnecessary and unwarranted under the circumstances that exist to-day. We have in our hospitals at the present time hundreds of men returned from overseas who are still requiring treatment; and there are soldiers to-day who are asking for something more in the way of increased pensions. Is it going to allay feeling throughout the country to have these annual parades at this particular season? I think the people of this nation have witnessed enough to recall the frightfulness of war, and a rest from that sort of thing for at least a period of one year will do much good while it can do no possible harm.

Something has been said to-night about increasing these expenditures rather than reducing them. Well, to what will that increased expenditure lead if not to bankruptcy? And of what use will it be to a bankrupt nation to have men for military or naval purposes, no matter how numerous they be? We must get on a sound financial footing as quickly as possible. When we reach the position in which our finances are sound, then we can afford these extra expenditures if the demand for them should exist. But it has not been shown so far that there exists on the part of any individual any fear from invasion, or that there is any need of an annual drill for the purpose of maintaining law and order at home. I move, therefore, that this item be reduced by $1,150,000, which is the increase over and above the amount that was voted by the committee last year. In

my opinion the whole item should be struck out. But, inasmuch as last year $350,000 was voted I see no objection to our allowing the Government that amount as there may be something we are not aware of at the moment which would require a small expenditure in connection with this particular item. At any rate an increase over and above what was allowed by this Parliament last year for annual drill is wholly unwarranted. No grounds have been given why this increase should be made. Therefore I hope the committee will support this resolution to save the country at this time this $1,150,000.

Let me just add this further point: We have been imposing new taxes on the consumers of this country and every man, woman and child who is obliged to pay any part of the increased taxes which have been imposed as a result of the discussions that we have had in the last day or two, will contribute in some measure to these military expenditures. If we allow these expenditures which are unnecessary at the present time to be kept up to the figure asked by the minister we will have to wait just so much longer before these excess, or excise, taxes, as they are called, can be withdrawn from the people of Canada. Now is the time to economize, now is the time to produce; this is not the time to withdraw men from production or to increase expenditures which can return no value to the country.

Mr. GUTHRIE: I think I explained fully to the House this afternoon that for the present year there will be no annual drill of the rural corps, and there will be no men withdrawn from production. The situation at the present time would not warrant our going ahead with the arrangements for the annual camps. My hon. friend the leader of the Opposition can keep himself at ease on that point. Men will not be withdrawn from production. At the time this estimate was drawn it was expected that the annual camps would take place as they took place before the war. Our ideas in that respect have not been realized, and for the present year there will be no training of the rural militia. I also stated that there will for the present year be training of the city corps. They train at their local headquarters in the evening, there will be no time taken and no loss of production. It would have been much better if we had been able to train both the rural and the city corps, but unfortunately we are not in a position to do so at the present time.

My hon. friend moves to reduce this vote to what it was last year. Last year there was no training. There was a vote of $350,000, which was not expended on the camps because there was no training. It is not fair to make a comparison between this year and last year. Last year could be described as a war year. If you are going to make a comparison why not make it along both lines? Take the vote last year for militia and the vote for demobilization and add them together. Last year we voted for militia $8,360,000 and for demobilization $300,000,000; this year $12,500,000 for militia and $38,000,000 for demobilization. As far as demobilization and going back quickly to a peace basis is concerned, Canada stands first in comparison with all the nations which took part in the late conflict. We have more nearly realized a peace basis than any others. True demobilization is not actually complete yet. I can perhaps give the figures. There are still undemobilized of the Canadian Expeditionary Force, of all ranks, 2,386 men out of a total enlistment of over 590,000. There is no other country which took part in the war that can show that result, or anything like it. Of these men 1,324 are employed in the depots in this country on military work; 632 are patients undergoing treatment in hospitals; 420 are on the medical and nursing staffs, orderlies and attendants in hospitals; making a total of 2,386 undemobilized out of well nigh 600,000. In addition we have in England undemobilized 36 officers, 154 men and 63 members of the air force who have been transferred to the Canadian Expeditionary Force, or 253. That is a pretty good showing; none of the other British colonies can make it. In war expenditure we have come down from $300,000,000 for demobilization and $8,360,000 for militia last year to $38,000,000 for demobilization and $12,500,000 for carrying on the militia, showing that we are rapidly getting back to a peace basis. This particular item of $1,500,000 cannot, in so far as I have described, be all expended. Perhaps I had better give the committee some particulars as to that. The city corps will be trained; the artillery with local headquarters will be trained; and any machine gun corps that are sufficiently organized will be trained. The estimated cost for pay of all ranks, on the basis of 80 per cent of 54,609 men or 43,687, al-

ranks, at an average of $1.70 par day for twelve days will be $742,000 odd; field days and staff rides $59,000; transport of permanent force to and from camp—the permanent force trains every year—$17,000; rations of permanent force in camp $57,000; forage for 993 permanent corps horses $50,000; fuel and light in camp $1,000; engineering services at camps, etc, $25,000; making a total of $953,548.90. That is the nearest estimate of the expenditure which will take place under this particular item that I can give the committee. That will leave on hand under this item in the neighbourhood of between $545,000 and $550,000. That is only for the training of 43,687 men. In pre-war days that would be looked upon as a small annual training. It is small at the present time. I am satisfied that if no action had been taken by the Government to have the annual camps and to provide for militia expenditure for last year, this year and next year, there would have been a chorus of criticism of this House condemnatory of the Government for their fault in not providing for an expenditure for military training, and I think the criticism would have been well directed In pre-war days the number of men under training was upwards of 72,000; this year we propose to train 43,000. Is not that a reasonable proposition? Is it not well known that every year we abandon training we lose so much in the efficiency of our force? If you abandon militia training for two, three or four years consecutively, I would not be surprised if it took ten or fifteen years to raise a new militia force. I do not believe that the men who return from overseas—those magnificent men who fought for this country for three or four years—are going to re-enlist in any very large numbers. Many returned officers are coming to us, it is true; but we are not having that wonderful success in recruiting the returned men which we had expected. I can understand that men who have been three or four years overseas have become rather "fed up" on war, and I do not know that we should ask them to make further sacrifices. But is that a reason why we should not exert every effort to get new men in the militia? I think it would be a standing disgrace to the country, and something for which a ministry would be liable to severe censure, if they did not take every means possible to re-organize and re-establish a reasonable militia force—not an extravagant thing, not a wasteful thing, but something in accordance with the dignity and the standing of the country, and something upon which the country could depend in time of need.

My hon. friend the leader of the Opposition asks: Where is the menace? Where is the invasion coming from? What trouble do you anticipate here within our own borders? But we do not have to answer those questions. It is a duty that every government must perform in every civilized country in the world. It has been the duty of every government in this country, and this Government would be open to the gravest censure if for one moment it failed to continue the work which has been carried on successfully in this country as far back as our memories can go. Our programme is modest, and our expenditure is modest. It is a duty we have to perform, and it is one of those duties that we ought to face with a smile. I would ask the committee to give this vote the fullest consideration, but in the end I want to see the committee and the House rise to the occasion and maintain the old traditions of the militia of Canada.

Mr. LAPOINTE: Will the drilling of those 43,000 men require the whole vote demanded in this item?

Mr. GUTHRIE: As near as we can estimate it will require $953,548; that is the total under this item that we expect to spend.

Mr. LAPOINTE: What was the amount expended before the war for the drilling of city regiments?

Mr. GUTHRIE: I cannot give the figures to-night, but they could be ascertained and I could let my hon. friend have them at a later period of the discussion.

Mr. LAPOINTE: I think we should have that information before voting this amount. We are told that this item is only for the purpose of the annual drilling of city regiments. Surely we are entitled to know what was the cost of that drilling before the war.

Mr. GUTHRIE: My hon. friend is wrong in confining the amount to city regiments. This includes also the permanent force which is drilled every year.

Mr. LAPOINTE: That is why I asked my hon. friend what would be the cost of drilling the city regiments this year?

Mr. GUTHRIE: The training of the city regiments and the semi-city regiments will absorb $742,000. The other items are in reference to the permanent force and are as follows: Transport of the permanent force to and from camps, $17,000; rations of the permanent force in camps, $57,000; forage for 993 permanent corps horses, $50,000; fuel and lights at camps, $1,000; engineers fitting up camps, $25,000. I assume that all but the first item of $742,000 relate to the permanent force, but that item is the cost of the drilling of the city and the semi-city corps.

Sir SAM HUGHES: I regret exceedingly, Mr. Chairman, that the minister has not included the rural corps in the annual training.

Mr GUTHRIE: Not in that estimate.

Sir SAM HUGHES: I regret to hear the opinion expressed that it is detrimental to the interests of any country to take these men from production. There is not a county in Canada to-day but could produce twice as much—if the people would only work energetically. I do not regard it as a loss to the community at all to have these men take their annual training in camp. The late leader of the Opposition—and I trust his successor to-day will endorse this policy—expressed the opinion many times in the House that every man—not 43,000 or 80,000 men, but every man—between 18 and 60 years of age should be trained and should be obliged to have his rifle ready, and in rural districts his horse and saddle also, and be prepared to turn out in the defence of his country. That would involve a vastly greater sum that is asked by the minister to-day. But I regret that any difference should be made between the city and the rural corps in regard to annual training. I presume the reason is that the minister is not ready to proceed with the training of the rural corps. I would remind the House that in the great war our rural corps proved to be the backbone of our fighting force. They have always done their duty well and turned out in magnificent numbers, and have shown themselves second to none.

Mr. LAVIGUEUR: How many city corps will be sent to the Valcartier Camp for training?

Mr. GUTHRIE: There will be none sent to Valcartier. The Royal Canadian Regiment will train there. The city corps will train at their own headquarters right where they live.

[Mr. Lapointe.]

Mr. LAVIGUEUR: I understand that the Estimate of $900,000 is for the training of 43,000 men. Has any Estimate been prepared of the cost of training the rural corps?

Mr. GUTHRIE: Yes. The item as it appeared in the Estimates is $1,500,000, and it included the drilling of the rural corps up to 80 per cent of their full strength. But for the reasons I have given the rural corps will not be able to turn out in strength, and rather than have them come forward in very small detachments it was thought advisable to dispense with their training for the present. If we dispense with their training the estimated cost of training the city and the semi-city corps is $953,000. So there would be a balance on hand on this vote of $545,000.

Mr. LAVIGUEUR: I assume the Estimate could be reduced by that amount.

Mr. GUTHRIE: No, I would not say that. It has been sanctioned by His Excellency the Governor General as it is now. But things might develop and in the autumn of the year it might become necessary to train the rural corps. I do not know. For some years past the annual training has always taken place in June. But I remember, the first camp I attended was in September of 1885, in London, and I think that was the best camp I was ever at. So far the rural corps are not in shape to go to camp, and as the item stands now it can be expended only for the purpose for which it is voted.

Sir SAM HUGHES: I should like to point out that no money publicly expended is so well distributed among the people of the country as is the money voted under this item. The expenditure for annual drill is distributed among forty or fifty thousand men.

Mr. CANNON: The minister has told us that some of the rural corps may be called out for training in the fall. What are these rural corps? Are they in the province of Quebec, in Ontario, or out West?

Mr. GUTHRIE: If any rural corps in any part of Canada which are at full strength desire to train this year, I think it could be arranged for them. I know that in Western Ontario there are said to be two units fairly well up to strength; it might be possible for these to train. Of course, it depends largely on the decision of the officers. It would be much better to have the regular brigade camps, but this year I do not think it is possible to have them.

Mr. CANNON: Has the minister anything before him to enable him to say that more than two rural corps will be called out for training in the fall?

Mr. GUTHRIE: The information was at hand and was examined by Militia Council between two and three weeks ago. I am only speaking from recollection as to my part of Western Ontario when I refer to the only two that I know of. It may be that there are others in other parts of the country. But the information which has come to us generally from all parts of Canada is to the effect that we could not have a satisfactory camp of rural corps this year. That is the opinion of officers commanding the rural corps as well as of officers commanding military districts. In these circumstances it would be idle for us to go ahead with the proposal.

Mr. CANNON: What would be the approximate cost of training these two rural corps?

Mr. GUTHRIE: I do not know just what it would cost, but it would cost proportionately a little more to train two than to train a dozen.

Mr. CANNON: Then I understand that the minister has before him information to the effect that 43,000 men belonging to city corps will be trained and that two Ontario rural corps will also be trained?

Mr. GUTHRIE: I did not say that. I said there were two that I thought were sufficiently near full strength to train. I did not say there was a probability that these would be trained; there is a possibility.

Mr. CANNON: There is a possibility that they will be trained, and a probability that they will not. So, leaving these rural units out of consideration, I may point out that the minister intends this year to train 43,000 men. The cost of that training will be $950,000; yet the minister asks the committee to-night for $1,500,000. I do not think that the position taken by the minister is reasonable; he should not ask the committee to vote $600,000 more than he needs, especially if he is sincere, as I believe he is, in his declaration of willingness to economize.

Amendment (Mr. Mackenzie King) negatived; yeas, 47; nays, 64.

Mr. TURGEON: I am paired with the Minister of Trade and Commerce (Sir George Foster); otherwise I would have voted for the amendment.

Mr. BUREAU: I am paired with the member for Lanark (Mr. Stewart); had I voted I would have voted for the amendment.

Mr. FIELDING: I am paired with the right hon. Prime Minister (Sir Robert Borden); had I voted I would have voted for the amendment.

Mr. McCOIG: I am paired with the member for Norfolk (Mr. Charlton); otherwise I would have voted for the amendment.

Mr. DOHERTY: I am paired with the member for Bonaventure (Mr. Marcil); had I voted I would have voted against the amendment.

Mr. ROSS: I was paired with the member for South Waterloo (Mr. Scott); had I voted I would have voted for the amendment.

Mr. CAHILL: How many of the 600,000 men who were enlisted served in the firing line in France?

Mr. GUTHRIE: I am afraid I have not that information; I did not know that the question would arise on this item. The matter is one which might more properly come up under the Demobilization vote. I have a statement of those who have been returned from overseas since the Armistice; that is the nearest I can come to it just now.

Mr. CAHILL: How many were returned since the Armistice?

Mr. GUTHRIE: The number is 273,565.

Mr. CAHILL: I understand that not more than 350,000 of these 600,000 men have served in France. The minister has made a great display of the sacrifices and the great effort put forth by the Dominion of Canada in recruiting 600,000 men of whom less than 350,000 went to the front. He has pointed out that this is a great record for any nation. I should like to know if it was necessary in other nations to recruit twelve men in order that seven might go to the front, or if it was necessary to retain five in the country for every seven who got to the front as fighting men in the armies.

Mr. GUTHRIE: I do not think I have the figures as to how many served either in England or in France. The statement which was furnished to the House of Commons on the 10th March and which appears in Hansard of that date reads as follows:

(a) Grand total recruited in Canada for Canadian Expeditionary Force during the war up

to 31st December, 1918, (exclusive of those enlisted for Naval Service, Royal Air Force, Imperial Mechanical Transport, Inland Water Transport, and exclusive of British and Allied reservists) 591,472; (b) Enlisted in England up to 31st December, 1918, 1,733; (c) Enlisted in Canada for overseas service other than Canadian Expeditionary Force, 21,169; (d) British and Allied Reservists exclusive of (c)) 14,590. Total 628,964.

That does not show how many of these men served in England or France.

Mr. CAHILL: I understand a statement was made to some committee of the House giving the number of men who had actually served in France.

Mr. GUTHRIE: I am sure the figures are on Hansard somewhere. I know the figures have been furnished.

Mr. COPP: The Committee on Re-establishment last year, I think, put the figure at 235,000.

Mr. CAHILL: Would the minister say whether out of the 628,000, only 235,000 saw active service?

Mr. GUTHRIE: I have never heard that statement. I think that figure is incorrect.

Mr. CAHILL: What is the correct figure?

Mr. GUTHRIE: It has been furnished to the House. I would have thought this question would come up on the Demobilization vote, or I would have been prepared with the figures. This is not a matter which affects the militia vote.

Mr. CAHILL: The Demobilization vote includes anything that can possibly be included in any vote.

The CHAIRMAN (Mr. Steele): The item before the committee at the present time is item No. 92 referring to annual drill. I have not up to the present interfered with the discussion, but I think it is getting entirely away from the item actually before the committee.

Mr. CAHILL: I move that the chairman do now leave the Chair.

Motion negatived.

Mr. CAHILL: The Minister of Militia stated that some six hundred odd thousand men were enlisted, and when you, Sir, interrupted me I was asking him how many had seen active service. I should like to have an answer to that question.

The CHAIRMAN (Mr. Steele): I would again call the attention of the hon. member to the fact that his question has no relation to the item under discussion and I must, therefore, rule his question out of order.

[Mr. Guthrie.]

Mr. CAHILL: Is it in order to rule my question out of order after permitting the minister to make a statement as to the number of men who have seen active service?

Mr. CANNON: Would the minister state to the committee the period of annual training for the various city battalions? How long will that drill last?

Mr. GUTHRIE: It amounts to twelve days' pay for two drills a day; it is really twenty four drills for twelve days' pay.

Mr. CANNON: What is the average cost per man?

Mr. GUTHRIE: $1.40 per day for city corps' privates.

Mr. CANNON: What is the average cost per officer?

Mr. GUTHRIE: I could not give the average, but I can give the officers' pay: lieutenant-colonel, $8; major, $6.50; captain, $5.50; lieutenant, $4; paymaster, $4.75; quartermaster, $4.75; medical officer, $4.75; chaplain, $6; warrant officer, $2.80; quartermaster sergeant, $2.75; staff sergeant, $2.30; sergeant, $2; corporal, $1.70; bugler, $1.50; bandsman, $1.50; private $1.40.

Mr. CANNON: Are there officers ranking above the rank of lieutenant-colonel?

Mr. GUTHRIE: Not in the militia.

Mr. CANNON: What about officers who were overseas and attained the rank of full colonel, or brigadier-general, or major-general, and who have reverted to the militia?

Mr. GUTHRIE: They retain the brevet rank overseas, but in the militia the high est rank is lieutenant-colonel. They are entitled to the brevet rank they attained overseas.

Mr. CANNON: Is it the intention of the department to do what is done in France, I understand, namely, to reform the militia list; that is, to give back to each officer the rank to which he is entitled, reducing him in rank although he might have held a superior rank during the war? Is such a process going to take place as regards our militia?

Mr. GUTHRIE: That process has taken place in many cases. If a man got a higher rank in the Canadian Expeditionary Force, he is entitled to retain that rank on his brevet rank only. On going back to the militia he will revert to his former rank. That has occurred in the militia and also in the permanent force.

Sir SAM HUGHES: How would the minister explain the position of an officer who had held the rank of major at the front and who is now a sergeant in the permanent force?

Mr. GUTHRIE: In the case put to me by my hon. friend (Sir Sam Hughes) the man would have the right to elect whether he would revert to his former rank in the permanent force or whether he would retire on pension. If he had been ten years in the service he would be entitled to retire on pension; if he had been less than ten years in the service he would be entitled to retire and obtain a gratuity depending on his length of service.

Mr. DUFF: Has the minister appointed any honorary colonels since he took charge of the department, and if so, how many?

Mr. GUTHRIE: I have not been able to find a victim yet.

Mr. SINCLAIR (Guysborough): I think the minister ought to agree now to reduce this item by at least $500,000. He has stated that he will very probably not need that extra half million. He has voted down the amendment moved by the leader of the Opposition, but according to his own statement the item could be reduced by half a million dollars. That should be done. It would be a step in the right direction. I feel some hesitation in giving this Government any more money than they require because I am not certain how they will use it. I was very much astonished this morning to find that a Bureau of Information is being conducted in this city, and that the money to pay for it is being taken out of the demobilization vote passed last year. I was also shocked to discover a few days ago that we are running a news agency in the city of New York, which it is estimated will cost $30,000 for the year, which amount is also being taken, by Order in Council, out of the demobilization vote of last year. I think therefore it is very unsafe to give to this Government any more money than is actually required, and I would appeal to the minister to agree to at least $500,000 of this amount being struck out without any motion being made to that effect.

Mr. CANNON: The minister said he would not reduce this amount because he had been authorized by the Governor in Council to introduce a resolution for $1,500,000.

Mr. GUTHRIE: I did not give that as a reason for not reducing the item.

Mr. CANNON: The minister's contention would be sound if the proposal was to increase the item, but he is perfectly at liberty to reduce it, so his argument is no argument at all from the constitutional point of view, nor from the political point of view. Are we the representatives of the people?

Some hon. MEMBERS: No.

Mr. LAPOINTE: Hear, hear.

Mr. CANNON: I am gratified, Mr. Chairman, after having sat in Ottawa for four months this session, that we have at least convinced hon. gentlemen opposite that they are not the representatives of the people.

Mr. DUFF: They have just admitted it.

Mr. CANNON: We have their own admission on Hansard. If they do not represent the people, whom do they represent?

Mr. CASGRAIN: Themselves.

Mr. ARCHAMBAULT: The trusts.

Mr. CANNON: My hon. friend from Brantford, in the course of the discussion this evening, talked about the thundering cannon. I may not be the thundering Cannon, but I would just as soon be what I am as a screeching plough. And when the hon. gentleman says that he is entitled to speak before this committee because he is the one who pays the taxes, I answer that he does not pay the taxes of this country. If he paid the taxes of this country as he should pay them, the Budget and the Estimates brought down by this Government would be very different. The Budget would not have been prepared and dictated by the manufacturers but by the common people of this country. The time has come, Mr. Chairman, for both the Government and the Opposition to fight in the open, and I will not permit any member of this House, whether he represents Brantford or any other constituency, whether he be a millionaire like the hon. member for Brantford or a poor man like myself, to suggest to this committee, composed of intelligent men, on this side of the House at least, that because he pays taxes we have no taxes to pay. We know very well that gentlemen on the other side of the House do their very best not to pay the taxes, at least those who belong to the class my hon. friend from Brantford belongs to. I want to have a fair and square fight, and I will not stand for any argument of the kind brought forward by my hon. friend from Brantford.

I say that on the minister's own admission, he only needs for drill halls this year $950,000, not a cent more. We have had enough waste and enough money squandered in Canada. It is time to stop. Money was wasted by hon. gentlemen opposite. Money was squandered by their friends—

Mr. MORPHY: Explain.

Mr. CANNON: It is useless to explain; you would not understand. When money was to be wasted or squandered the Whip on the other side of the House did not need to crack his whip for the docile troop of Government supporters would come in and vote the money. These gentlemen may have a majority in Parliament, but they have no following in the country. We have been told that this Government would come out with a programme. Where is their programme? It was to be elaborated at a caucus. When will the caucus be held? Some papers say Monday, others Tuesday, some say this week, others next week. These are the gentlemen who are running Canada. They talk about how great and big this country will become, and they have not even a programme. I heard some one below. Will he please speak like a human being.

Mr. HALLADAY: I asked the hon. gentleman to get down to the subject.

Mr. CANNON: I am coming to the subject and quickly enough. These gentlemen are asking that they be given $600,000 more than they need. What for?

Mr. DUFF: Graft.

Mr. CANNON: Who is going to get that $600,000 Friends of the Government—if there are any left? Are we going to give it to newspaper men to write articles in the United States to tell us what a great man the President of the Privy Council (Mr. Rowell) is. Are we going to vote $600,000 more than is required by the Government for drill halls, so that we can have it drilled into our minds that the President of the Privy Council is a great man? During the war, follies were committed. This Government would come before the House and say: "We need so much money and it will be used to save the British Empire." The money was always voted. But now the war is over, and these gentlemen will get exactly what they need and not a cent more. I do not think the minister takes a reasonable stand before this committee when he admits that he only needs $950,000 and yet asks Parliament to vote him $1,500,000. The amendment moved by the leader of the Opposition should have been adopted and the main motion thrown out.

Item agreed to on division.

Progress reported.

On the motion of Rt. Hon. Mr. Doherty the House adjourned at 12:18 a.m. Thursday.

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## Thursday, June 17, 1920.

The House met at Two o'clock.

### NATURALIZATION ACT, 1914, AMENDMENT.

Rt. Hon. C. J. DOHERTY (Minister of Justice) moved for leave to introduce Bill No. 184 to revive and amend the Naturalization Act, 1914.

Some hon. MEMBERS: Explain.

Mr. DOHERTY: The House will remember that in connection with the Franchise Act considerable discussion arose with regard to the effect of certain provisions of the Naturalization Act of 1919—provisions which excluded the naturalizing of persons of former enemy alien nationality for a period of ten years following the war. The discussion proceeded upon the understanding—shared in, I think I am safe in saying, all round—that the British legislation of 1918 had so operated as to make it necessary, if we were to preserve a uniformity between our legislation and the British naturalization legislation, that we should adopt this provision making it impossible to naturalize for the period of ten years the class of aliens which I have mentioned. In connection with that discussion I ventured to express a very strong hope that it would be found possible to come to such an understanding as would cause to disappear the supposed necessity of our adopting that absolutely prohibitive legislation for the purpose of maintaining uniformity in the naturalization legislation. I think that in many quarters the thought was entertained, —and, indeed, was expressed—that I was over-sanguine in that regard; that I entertained an excess of hopefulness which some hon. gentlemen were disposed to pardon me for by reason of my youth. I am glad to say that I was not over-sanguine; that it is possible for us to so modify the provisions referred to as to remove the impossibility during the period of time in question of naturalizing the class mentioned, without causing our legislation not to be uniform with that of the United Kingdom upon the subject of Imperial naturalization. One of

the purposes of this Bill is not to abolish entirely the provision but to make it possible to grant certificates of naturalization to persons of proved loyalty who before the passage of the Act had resided in Canada for a period of ten years. The misunderstanding with regard to the effect of the British naturalization disappeared upon careful examination of the legislation. I may say that the basis of the hopefulness I expressed was my conviction that there must be a misunderstanding either on the other side or on this side. We were all under the impression that the misunderstanding had occurred over there, and that consequently their legislation produced the effect which I have mentioned. As I have said, however, a more careful examination of their legislation makes it clear that we have to admit that the misunderstanding was on the part of the draftsmen upon this side who framed the legislation under the belief that this clause was an essential part of what I may describe as the Imperial Naturalization Act. That view, which I am now expressing, is concurred in by the British authorities, and, in fact, a careful examination of the statute makes it clear that that is correct. The British Parliament, in making the particular enactment to which I have referred, was careful, inasmuch as there was no consultation with the Dominions on the subject, to make it, not as an enactment to form part of the Imperial Naturalization Act of 1914, but as a substantial enactment in the United Kingdom. That has left us our liberty in the matter. I felt strongly convinced that there was some misunderstanding, inasmuch as with regard to maintaining the uniformity of Imperial naturalization legislation, the matter is not at all one of the British Parliament passing legislation and then we being in a position where we must pass it, but the matter is one of previous consultation as to what legislation the respective Governments will be willing to introduce, and in this latter legislation the British Government was careful to exclude, as forming part of the Act of 1914, any amendment with regard to which there had not been previous consultation. It is well just to mention that, because it is a misapprehension to suppose, as some hon. gentlemen seem to think, that this was a matter of legislation imposed upon us by the Act of the British Parliament. The Act of 1914 itself was an Act passed in virtue of an agreement and was actually passed by this Parliament before it was passed by the British Parliament.

I should add that, for the purpose of clearness, it has been thought desirable that we should remodel the form of the Act as it was passed last year. Last year the Act of 1914 was entirely repealed and re-enacted with certain modifications, among them being the particular one that I have mentioned. It seems to us desirable that we should keep clear by themselves the provisions of the Act of 1914 and any amendments that may be made to it, that is the Act the uniformity of which we must maintain, and deal separately, as the British Parliament did, with other provisions not forming part of it. For that purpose this present Bill repeals the Act of 1919, revives the Act of 1914, inserting in it those amendments which properly form part of it and are necessary for maintaining uniformity between our Act of 1914 and the British Act of 1914, and then enacting such provisions as form no part of it as substantial provisions standing by themselves, and among which is the provision that I have just mentioned which will make it possible, not to do away with the ten-year requirements generally, but, in meritorious cases, for persons of former alien enemy nationality who have already resided ten years in this country, to be naturalized before the expiry of the ten-year period from the termination of the war as provided in the Act of 1919.

Mr. EULER: I should like to know whether in the new Bill which the minister is introducing, he includes a provision for the personal naturalization of women as well as men. I think that would be desirable.

Mr. DOHERTY: That is a matter which was dealt with in the original Act of 1914, the Act that was then decided upon. If we should depart from the agreement then reached which was embodied in both the British and our legislation upon that subject, we would then be making in the provisions of the original Act a distinction which would differentiate our legislation, and just as the British Government and Parliament did not think it proper to modify that Act without consultation with the other Dominions, if we modify it without their concurrence we would be departing from uniformity. Therefore, there is not contained in the present Bill a provision for a separate and distinct naturalization on the part of married women, of whom I understand the hon. member is speaking.

Motion agreed to, and Bill read the first time.

## QUESTION.

(Questions answered orally are indicated by an asterisk).

### FRANCO-CANADIAN CUSTOMS TARIFF CONVENTION.

*Mr. LEMIEUX:

1. Has the Honourable the Minister of Trade and Commerce received the following resolution passed at the annual meeting of the Canadian Manufacturers' Association, Vancouver, B.C., June 9, 1920:—

Whereas, the Franco-Canadian Customs Tariff Convention will terminate about June 19, 1920, and

Whereas, it is highly desirable that the friendly trade relations between France and Canada should be improved by a new Customs Convention whereby direct shipping may be promoted and French markets opened which, owing to the high general Customs duties of France would otherwise remain closed against numerous Canadian products, both agricultural and manufacturing, and on the other hand desirable markets may be opened in Canada for various French products not made or produced in Canada,

Therefore be it resolved, that the Canadian Manufacturers' Association in annual meeting assembled in Vancouver on June 9, 1920, earnestly petition the Dominion Government to negotiate a new Franco-Canadian Customs Tariff Convention, as soon as conditions become opportune.

2. What action does the honourable minister intend to take in the matter?

Rt. Hon. Sir GEORGE FOSTER:

1. The resolution referred to has been received.

2. I have already intimated to the House that the Canadian Government had signified to the French Government its willingness to enter into negotiations for another commercial arrangement at an opportune time.

## CANADA GRAIN ACT AMENDMENT.

On the motion of Sir George Foster (Minister of Trade and Commerce) it was ordered that to-morrow the House do go into committee to consider a resolution to amend the Canada Grain Act, chapter 27 of the statutes of 1912.

## BUSINESS OF THE HOUSE. SATURDAY SITTINGS.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister) moved:

That on and after Saturday, the 19th instant, until the end of the present session the House shall sit on Saturdays, and that the Order of business on Saturday shall be the same as Friday.

He said: This motion was made some weeks ago, and at that time it was dropped on account of the views of hon. gentlemen opposite. I hope they are inclined to take a different view of the situation to-day, as we are all very anxious to expedite business, and the legislative programme of the Government has, in the meantime, been quite fully placed before the House.

Hon. W. L. MACKENZIE KING (leader of the Opposition): If the Prime Minister can give us a definite assurance that the whole legislative programme of the Government has been brought down and that we need expect nothing further, hon. gentlemen on this side of the House will be glad to do anything to help bring the work of the session to a speedy termination.

Sir ROBERT BORDEN: There is a Bill, entirely non-controversial, I think, for the purpose of extending the powers now enjoyed by the boards of trade throughout the country. The Government also have under consideration the question of continuing the present authority for wheat control. Outside of that, I do not recall any other legislation that is in contemplation, but I shall consult my colleagues.

Mr. JACQUES BUREAU: Pensions?

Sir ROBERT BORDEN: I except, of course, matters that are already before the House. We shall have to deal with the report of any Committee of the House. I thought my hon. friend's question alluded to measures to be brought down by the Government upon its own initiative.

Mr. MACKENZIE KING: Can my right hon. friend inform us when we may expect the balance of the Supplementary Estimates?

Sir ROBERT BORDEN: The Minister of Finance has been very busily engaged all morning, and is still engaged on the same matter. Therefore, he is not in his seat at the moment. As soon as he comes I shall mention to him the inquiry my hon. friend has made, which is a very reasonable one, and I shall ask him to acquaint my hon. friend and the House generally as to the date when we may expect the further Supplementary Estimates. Speaking for myself, we shall use the utmost possible expedition in bringing them down. Some of the ministers have been very much engaged with matters of public business apart from the business of the House, and unfortunately the result has been that the Supplementary Estimates have not been brought down at as early a date as we had hoped, or indeed at as early a date as they should have been brought down.

Motion agreed to.

## THE BOARD OF COMMERCE.

### RESIGNATION OF MR. W. F. O'CONNOR.

On the Orders of the Day:

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): I beg to lay on the table of the House an Order in Council accepting the resignation of Mr. W. F. O'Connor as a Commissioner of the Board of Commerce of Canada, to take effect on the 30th day of June, 1920. In his letter of resignation Mr. O'Connor states that he is about to engage in other activities in the practice of his profession, and that he will be pleased to have his resignation take effect at any time when it seems most advisable, but that he would suggest the postponing of its acceptance until the 30th day of June in order that some pending matters might in the meantime be disposed of.

Might I say further as to what will be done with the Board of Commerce in the immediate future, that I expect to have a conference to-day, if possible, with Mr. Murdock. He is the only Commissioner remaining since the resignation of Judge Robson and that which has just been accomplished by the Order in Council now laid on the table of the House.

I should also mention to the House this important consideration. By the judgment of the Supreme Court of Canada, which has been made public in the press, the validity of the Act has been left open to serious doubt. Three judges of the Court have expressed the opinion that it is constitutional, and three judges have expressed precisely the contrary opinion. Under these circumstances it seems most desirable that the question of law involved should be set at rest. Therefore, the Minister of Justice has been requested to prepare and proceed with an appeal to the Judicial Committee of the Privy Council in order that the power of this Parliament in the premises may be precisely determined. There is some hope that the application for special leave, which will be necessary, may be made at the sittings of the Judicial Committee which will commence some time next month, as I understand. It is also hoped that upon the argument of that motion the question of constitutionality might in effect be determined. If that should prove to be the case, the doubt which now rests upon the validity of the Act will be removed one way or the other, and the Government will be in a better position than at present to determine its policy as to the future in this regard.

Mr. D. D. McKENZIE (Cape Breton North and Victoria): May I ask the Prime Minister if all the constitutional questions involved will be submitted to the Judicial Committee. There were two points, I understand, before the Supreme Court. Is there to be an appeal as to both?

Rt. Hon. C. J. DOHERTY (Minister of Justice): We shall seek by the appeal to obtain the opinion of the Privy Council upon all constitutional questions which arise. It is not exactly a judgment that we are faced with, but a stated case upon which different opinions have been given. We shall seek to get opinion upon any constitutional question that arises.

Mr. MACKENZIE KING: While this question of constitutionality is being determined, will Mr. Murdock continue to act as commissioner?

Sir ROBERT BORDEN: I thought I had explained to my hon. friend in speaking of this matter at first, that I proposed to have a conference to-day with Mr. Murdock at which the question propounded by my hon. friend will be considered. Later on, before the end of the session, I hope, I may be able to make some announcement to the House with regard to that.

## CORRESPONDENCE BETWEEN THE PRIME MINISTER OF GREAT BRITAIN AND THE PRIME MINISTER OF CANADA TABLED.

On the Orders of the Day:

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): I beg to lay on the Table a return to an Order of the House dated March 19, 1920, showing a copy of the correspondence between the Prime Minister of Canada and the Prime Minister of Great Britain under authority of a resolution of the Imperial War Cabinet of July 30, 1918, the order in question having been made upon the motion of the hon. member for Shelburne and Queen's (Mr. Fielding).

## THE COAL SUPPLY.

### DISCUSSION ON A MOTION OF HON. RODOLPHE LEMIEUX FOR THE ADJOURNMENT OF THE HOUSE.

On the Orders of the Day:

Sir ROBERT BORDEN: My hon. friend the member for Maisonneuve (Mr. Lemieux) desires to move the adjournment of the House to-day for the purpose of discussing a question which he has mentioned to me.

It seems that there is some question under the rules as to his right to take that course, but as the matter is one upon which it is desirable to have a public statement made, I shall move the House into Committee of Supply in order that my hon. friend may have the opportunity which he otherwise would not have. I therefore beg to move that Mr. Speaker do now leave the Chair for the House to go into Committee of Supply.

Mr. SPEAKER: There are two difficulties in conection with the motion. In the first place the motion for the House to go into Committee of Supply can under the rules, only be made by unanimous consent this being Thursday. The difficulty with respect to bringing this matter up on a motion to adjourn the House is not that it is not a matter that comes properly within the sphere of rule 39. I think it does, but the question before the Chair is this—

Hon. RODOLPHE LEMIEUX: Will you kindly read my motion, Sir.

Mr. SPEAKER: The motion which the hon. member desires to move is:

—the adjournment of the House for the purpose of discussing a matter or urgent public importance, namely, the impending coal shortage threatening to dislocate certain industries and to cause serious hardship in the homes of the Canadian people.

There is a well established rule that the same subject cannot be debated twice in the same session, and I find that on March 10, 1920, the hon. member for Peterborough (Mr. Burnham) moved a resolution reading in part as follows:

And Whereas the fuel question has become an acute one in many parts of the country it is desirable, etc., etc.

The subject there was specifically discussed and dealt with by the House. Furthermore, with regard to Bill No. 153 respecting the Director of Coal Operations, although the subject was perhaps not properly germane to the discussion on the second reading, the Chair purposely allowed the debate to be broadened in order that the Government's intention might be brought before the House in regard to the possible fuel shortage. The sole question, therefore, is on the point of the subject having been debated at a time prior to this motion.

Mr. BURNHAM: It was agreed by the resolution that a day should be appointed to take up the matters.

[Sir Robert Borden.]

Mr. SPEAKER: Under the rules of the House, there could not be such an agreement as the motion is a contradiction in terms; because the very fact that the House had already discussed the subject would preclude its being discussed again at this session. However, I think that the situation might be met, in view of the urgency of the matter, if the House gave its unanimous consent that the hon. member should proceed as he desires. It is, of course, my duty to see that the rules of the House are observed.

Hon. RODOLPHE LEMIEUX (Maisonneuve): I do not wish to take up the time of the House, Mr. Speaker, and I will not question your ruling. I bow to your decision, Sir, and will accept the offer of my right hon. friend. Besides, I wish to state at once that I do not intend to delay the proceedings of the House as I am just as anxious as any one else to see the approach of prorogation. I shall simply call the attention of the Government to a very menacing feature of the coal situation, I promise that I will not be long.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): As both motions require unanimous consent we might as well take the motion to adjourn the House.

Mr. SPEAKER: Mr. Lemieux seconded by Mr. McKenzie, moves the adjournment of the House under Rule 39 "for the purpose of discussing a matter of urgent public importance, namely, the impending coal shortage threatening to dislocate certain industries and to cause serious hardship in the homes of the Canadian people."

As I have indicated, this motion can only be entertained by unanimous consent. Is it the pleasure of the House that the hon. member have leave to make the motion?

Some hon. MEMBERS: Yes.

The House gave unanimous consent.

Hon. RODOLPHE LEMIEUX: I appreciate the unanimous consent given by the House and will forthwith reciprocate by informing my fellow members that I will not exceed ten minutes. All I desire to know is what is the policy of the Government in this matter. I am glad to find that both the right hon. gentleman (Sir Robert Borden) and your honour admit that the situation is most acute, and that in Central Canada, in the great provinces of Ontario and Quebec, we are threatened with a dislocation of some of our most import-

ant industries. And although we are at present passing through a wave of heat we must think of what will happen next winter if we have no coal in our homes. This morning I was speaking with one or two coal dealers in the city of Ottawa and they informed me that the situation was undoubtedly very critical. They said that the price of coal to-day was between $15 and $16 per ton and they could not guarantee that next week it would not be $17. There is no coal, and it is only right that the attention of the Government should be directed to this very serious situation. It is a most urgent matter that affects the great industrial centres of Ontario and Quebec. The other day, whilst we were discussing the appointment of a Coal Director in the West —and I must say that on that question I did not totally agree with the stand taken by my friends on this side of the House, because I believe that sometimes it is perhaps better to ignore certain time-honoured principles in order to prevent people from freezing—some statements were made on that occasion to which I shall briefly refer. My hon. friend from Simcoe (Mr. Currie), for instance, stated that in the city of Toronto the gas company had a supply of coal for two weeks only; and my hon. friend from Peterborough (Mr. Burnham) also made a statement to the effect that the situation in Ontario was certainly most acute. I stated that the gas company in Montreal was in the same predicament as the gas company in Toronto.

Mr. BURNHAM: Same in Ottawa.

Mr. LEMIEUX: The situation is one that affects the consumers of gas in the city of Montreal and all large centres. If hon. members will refer to the Montreal Gazette of Tuesday, June 15, they will find that the Montreal Light, Heat and Power Company is before the Public Utilities Commission at the present time with a view to increase its rate; and evidence as given by the managers and the engineers of the company, supported by the fuel agent of the Canadian Pacific Railway, is reported in that paper. I quote the following:

> The reason for this state of affairs Mr. Norris explained was found in additional burdens laid upon the company in their bills for wages and material, principally coal and oil, and in other disadvantages arising from the difficulty of securing coal to meet requirements.

Further on it says:

> Owing to difficulty in getting orders filled the quantity of coal brought in since the opening of navigation was less than one half what it had been in past years. All these things, he said, were a handicap on the operations of the company.

The article states further:

> Mr. Thomas Britt, general fuel agent of the C.P.R., was also called by Mr. Montgomery. He said that he was a buyer of coal for the Canadian Pacific railway and at the present time had orders to buy between three and four million tons of bituminous coal, and was lucky to be able to get as much as a single carload a day. In fact, in the Pittsburg district whole trainloads were corraled by order of the railroads and some of the railroads, such as the Baltimore and Ohio, stated to the mine operators. "No cars, no coal. If you get cars, you must give us coal."

The representative of the Ottawa Gas Company, Mr. Dion, made similar statements. Now, Mr. Speaker, if we have not the available quantity of coal for the gas companies of Toronto, Ottawa, and Montreal, and if we cannot advantageously secure a coal supply from the western and eastern mines, where shall we in Central Canada get our coal from? I am informed on the best authority, and my hon. friend the Minister of Interior (Mr. Meighen) knows this statement to be perfectly true, that some of the western coal mines of Canada to-day are shipping their coal to the western States and England is getting shipments of coal from Nova Scotia. In other words Canada—to use what has long been regarded as merely a literary expression—is sending coal to Newcastle.

Mr. MICHAEL CLARK: Free imports.

Mr. LEMIEUX: England, France and Holland and other European countries have large orders with the coal mines of the East to the detriment of Central Canada. I will not give the figures to the House, but I could show that the production of coal to-day has fallen short in all parts of the world, especially in England. We all know the cause of this shortage—as we know why in France and Canada and in the United States there is a shortage. Mr. Speaker, we depend entirely in Central Canada on Pennsylvania coal and we hardly can get it to-day.

I have alluded to the difficulties of the gas companies of Montreal, Ottawa and Toronto. The price of gas will go up; or it may not go up at all because if we have no coal there will be no gas. Many of the large industries are threatened with absolute dislocation. I hear that certain companies in Ottawa may not operate in a week's time if they do not get their coal supply. But even in the United States the gas com-

panies are doing exactly what the gas companies of Montreal, Toronto and Ottawa are doing and yet they are in the very country where coal can be had under ordinary circumstances cheaply and conveniently. I hold in my hand a copy of Chemical and Metallurgical and Engineering, a very high class review, and I read in it under date of the 9th June:

> The emergency committee and members of the American Gas Association met Wednesday, May 26, in the Hotel Pennsylvania to consider ways and means to combat the shortage of basic raw material used in the manufacture of gas. With the great scarcity of coal, coke and gas oil the situation looks discouraging for the consumers as well as the manufacturers. Some of the plants—

In the United States

> —have barely enough for present operations and all are wondering whether or not they will be able to operate during the coming winter. Philip H. Gadsden, chairman of the emergency committee,—

Note that in the United States they have, on this very vital question already appointed emergency committees—

> —said that the most important question was "how to keep the plants functioning to the consumer". With supplies of coal practically exhausted and supply of gas oil entirely inadequate for the purpose for which it is used, due largely to the increased demands for gasoline and kerosene, a most serious and critical situation confronts the gas manufacturers.

They have appointed this emergency committee to take the proper means to combat this shortage. I have said that I would not speak more than ten minutes. I simply rise this afternoon—and I am in earnest in doing so—to ask the Government what, under the circumstances, is their policy. What is the remedy that the Government proposes in order to prevent a panic in Canada next fall? Some people say that you should use the ships now, that you have the merchant marine. We should look after our own people first. Why should not these ships be utilized in transporting coal from Nova Scotia to Montreal and to Quebec making of these two ports the distributing centres for central Canada? On the other hand would it not be possible to adopt some special temporary rates on the railway systems in order to facilitate and cheapen the transportation of coal from Western Canada? I do not know whether that is feasible, but at all events we have the right to expect that the Government realizes the seriousness of the situation and the danger which it portends. I hope the right hon. gentleman will be able to give the House and the country full information on the subject. I have not exceeded my ten minutes.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): Mr. Speaker, let me, in the first place inform my hon. friend (Mr. Lemieux) that several weeks ago the conditions to which he has referred were taken into consideration by the Government and I think everything that is practicable has been done up to the present time. Representations were made to us by several hon. members on this side of the House and we had representations from other sources. About four weeks ago a sub-committee of Council was appointed consisting of my hon. friend the Minister of Railways and Canals (Mr. Reid) and my hon. friend the Minister of Labour (Mr. Robertson) who have been actively engaged ever since in examining the situation and taking such measures as seemed to them practicable for the purpose of alleviating unfortunate conditions. On the very day after their appointment they summoned representatives of all the railways of Canada, they summoned representatives of some of the important industries, and they endeavoured to obtain full and accurate information in regard to the situation. Shortly thereafter they succeeded, by negotiation with the Board of Railway Commissioners for Canada, in securing the services of Mr. Spencer, the chief traffic officer of that board, a very highly experienced and capable man. He has spent a good deal of his time since in the United States examining the situation there and endeavouring to expedite the movement of coal to this country as far as possible and he has kept us fully informed from time to time as to the actual conditions. In addition to that we have had Mr. Mahoney the remaining representative of the old War Trade Board who has his residence in Washington and who discharges his duties there. We have had him very actively engaged in doing what he could to assist the situation, always in co-operation with Mr. Spencer and with the ministers to whom I have alluded. I should add in that regard that Mr. Mahoney acted under Mr. Magrath while Mr. Magrath was fuel controller and he has a very thorough and comprehensive acquaintance with conditions in the United States in so far as they apply to the coal situation.

Let us consider for a moment just what the situation is. My hon. friend speaks of the desirability of having ships put on the route between Sydney and other Cape

Breton ports and Montreal. That was done several weeks ago and I believe that three of the Government steamers have been engaged in the work of transportation since then. We are confronted with the difficulty that there is an enormous demand for bunkering ships plying to and fro across the Atlantic; and hon. gentlemen, I hope, will realize that it would be a serious thing for us, without the gravest consideration, to undertake any action which would prevent these ships from getting coal. I shall come to the exportation of coal from this country to the United States a little later.

The House will bear in mind, I hope, that during the past two or three weeks the difficulty has been one of transportation rather than of coal supply, as I understand it. The switchmen's strike and other strikes of a like character in the United States have greatly interfered with the forwarding of coal which was destined for this country. For that and many other reasons it was that Mr. Spencer, a very able and experienced traffic man, was selected to co-operate with the ministers who had charge of this matter. The situation at present, I believe, is this: During the month of June, and possibly the last week in May, coal was not moved very rapidly by reason of the transportation difficulties. but I am informed by the Minister of Labour and by the Minister of Railways that within the past week the conditions have very greatly improved, and that coal is coming forward in normal quantities at the present time.

When one comes to look at the situation as it was up to the 31st of May, including the period to which I have just alluded, it is not so alarming as the remarks of my hon. friend would indicate. From January 1 to May 31, 1919, the importation of anthracite coal was 1,589,965 tons. In the corresponding period this year, that is to say, from January 1 to May 31, 1920, the importation of anthracite coal was 1,695,950 tons or an increase of 106,000 tons. With respect to bituminous coal the importation during the first four months of 1919, that is to say, from January 1 to May 31 of that year, was 3,441,676 tons. During the corresponding period of this year, that is to say, for the four months up to the 31st May, 1920, the importation of bituminous coal was 3,498,902 tons, or an excess of nearly 60,000 tons over the corresponding period in 1919. The total importations during the year 1919 were as follows:

| | |
|---|---|
| Anthracite coal | 2,486,141 tons |
| Bituminous coal | 6,005,245 " |

So the hon. gentleman will see that during the period to which I have alluded in 1920 the proportion of coal that we succeeded in bringing in was a very respectable proportion indeed.

I believe there were produced in Canada last year 16,934,561 tons of coal, the production by provinces being as follows:

| | Tons. |
|---|---|
| Nova Scotia | 5,790,196 |
| New Brunswick | 166,377 |
| Saskatchewan | 379,347 |
| Alberta | 4,950,310 |
| British Columbia | 5,648,331 |

We were somewhat alarmed—somewhat disturbed at least—by reports that came to us as to the enormous amount of coal that had been exported in the early part of this year to European countries, and very strong representations were made to the effect that our own industries would suffer very greatly if this were permitted to continue. Throughout my observations I am taking the statements that have been furnished me by the Minister of Labour and the Minister of Railways, who, I understand, made the necessary investigation to verify these figures. From these statements I find that to the 1st of June, 1920, there have been exported from Nova Scotia during the present year 158,000 tons. I believe that went to European countries. From Alberta and British Columbia there is ordinarily an exportation of about 2,600 tons of coal per day to the United States; but if the hon. gentleman suggests we should stop that exportation he must bear in mind that it will be difficult for a considerable portion of that coal to obtain another available market. More than that, he must remember that in Eastern Canada we are dependent on the United States as our source of supply for anthracite coal and for a very considerable proportion of our supply of bituminous coal. In this connection I desire to bear tribute to the fine spirit of friendly and neighbourly co-operation which has been manifested toward the people of this country by the Government and the officials of the United States during the past two or three years when matters were somewhat urgent with us so far as coal supplies were concerned. Therefore we must remember that when the United States of America gives that very friendly and just consideration to us we must be inspired by the same spirit of sympathy and good-will to them in respect to that

supply of our western coal which goes to their country.

3 p.m. Some hon. MEMBERS: Hear, hear.

Sir ROBERT BORDEN: My hon. friend has touched upon some very interesting questions as to the source from which we shall obtain our future coal supply. I think it will be necessary for this Government—or any government in this country—in the future to look that question pretty squarely in the face. It is highly probable that demands upon the coal reserves of the United States in the future increasing as their population increases and as their industries still more greatly develop, may make it necessary for the people of that country to look to the future and to consider to what extent they must conserve their supply. In doing that I am absolutely confident that they would give every reasonable consideration within their power to the necessities of this country. But we have enormous supplies of coal in Canada and the difficulty—the sole difficulty—is the question of transportation over the enormous area of the Dominion. That is the whole difficulty. We have great coal supplies on the Atlantic seaboard in the East, enormous supplies on the Pacific seaboard in the West, and in the province of Alberta; but for about three thousand miles between no supplies of native coal are available except those which must be brought from this great distance. Consequently, it will be for the Government to consider what can be done in making these supplies more effectually available to the people of this country. We have almost inexhaustible supplies of coal in Canada. I think my hon. friend, the Minister of the Interior, in an address which he delivered before the Royal Geographical Society about two or three years ago, made the statement that Canada probably contains—if you estimate all kinds of coal including lignite—about 80 per cent of the total coal resources of the British Empire. The question, as I have said, is one of transportation, but connected also with that is the question of utilizing the lower grades of coal by some process of manufacture so that they can be transported without detriment and will be more useful to the people when they come to be consumed. That question has been under investigation by the Research Commission, and I believe that some results have been obtained which will be regarded as very fair, when they come to be announced at a later date. I hope, therefore, that we need not be unduly apprehensive with regard to the situation to which my hon. friend has very properly called attention. In view of what I have said with regard to the action which the Government has taken and as to the betterment of conditions which has taken place during the past week, I trust the House will feel that the situation, for the present at least, is fairly well in hand.

Motion withdrawn.

## CUSTOMS ACT—PROPOSED EXPORT REGULATIONS.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister) moved the second reading of Bill No. 182, to amend the Customs Act:

Mr. MACKENZIE KING: It is understood that if this Bill is read the second time it will be referred to a special committee?

Sir ROBERT BORDEN: I pledged myself to that yesterday. I shall make a motion to that effect.

Motion agreed to, and Bill read the second time.

Sir ROBERT BORDEN: I now beg to move, seconded by Sir George Foster:

That Bill No. 182 be referred for consideration and report to a special commitee consisting of the following: Sir Robert Borden, Mr. Burrell, Mr. Calder, Mr. Crerar, Sir Henry Drayton, Mr. Fielding, Mr. Green, Mr. King, Mr. Lapointe.

Motion agreed to.

## DIRECTOR OF COAL OPERATIONS.

Hon. ARTHUR MEIGHEN (Minister of the Interior) moved the third reading of Bill No. 153 (from the Senate) respecting the Director of Coal Operations. He said:

I had not expected, Mr. Speaker, that the Bill would come up quite so early in the day. But I should not let the third reading pass without making reference to a statement made by myself when the Bill was in committee. The question was asked me at that time whether or not there was anything of a legal nature in dispute as to the powers of the Coal Director under the Orders in Council. I made reply—I could quote it direct, but I think I remember the words with sufficient accuracy—that so far as I was aware there was no such dispute; that so far as I was aware none had been made known to the Minister of Labour (Hon. Mr. Robertson) and that there could not be anything substantial in dispute at the present time. That, of course, was true. I find, however, that there was a matter in litigation at the time—I did not know of it when

I spoke; I was only informed of it later by the Minister of Labour. The question in dispute was this: It appears that under one of the orders issued by the Coal Director acquiesced in at the time and acquiesced in since, provision was made that the employees of the mine should be members of the United Mine Workers of America and should subscribe as such--something to that effect. As a consequence, certain members of what is called the "O.B.U." were not able to continue their operations in the mine at that time,—I do not know how many, but a very limited number. They entered action before the police magistrate claiming that the company, the Canmore Coal Company, had violated the Industrial Disputes Act in declaring what they called a lockout, the provisions of the Industrial Disputes Act prohibiting a lockout until application is made for a board of conciliation and that board has made its determination. They failed in their action. I believe that the defence was that there was nothing in the nature of a lockout and that in any event the orders of the Coal Director were being obeyed. That decision being given, the men who were concerned immediately went back to work and have been at work ever since—I believe they stayed out only a very few days. So that there is nothing of a substantial nature in dispute there,—merely the question whether the action taken was in the nature of a lockout. I assume that the amount of wages involved for that time is all that was lost in connection with it. However, the action taken was undoubtedly in pursuance of the order of the Coal Director, an order which was undoubtedly essential if that mine and many others were not to be locked up. The dispute, in essence,—indeed, in toto—which led to the making of the order was a dispute for control between the O.B.U. on the one hand and the United Mine Workers of America on the other. I cannot go into the details; they are not as familiar to me as they are to the Minister of Labour. But the dispute took the form of control of the funds that were paid by the labourers month by month, it being contended—and I believe successfully contended—that those funds were being utilized by officers of the O. B. U. for purposes contrary to the constitution to which the men subscribed and for purposes never intended by the men themselves. On account of that condition of affairs the order made by the Coal Director was the only order in the world that had any possibility of success in bringing the men back and getting something done and some product sent out from the mines in question. It was a case of "get together on these lines or do not get together at all." As a consequence, with the acquiescence of both sides, this course was taken and has resulted in continued coal production since. There is nothing else in dispute. This action was taken and was dismissed, as I have said. I do not know just when the action was taken,—some months ago. They entered an appeal against the decision of the magistrate, and that appeal is pending. So that while there is this question, it is certainly not of a substantial character, and to permit the whole foundation of the plan of conciliation that has worked so successfully all this time to be impugned on account of it, would, it appears to me, be wholly unjustified on the part of Parliament. I thought I should state to the House the information given me since the second reading and since the Bill was in committee. My information further is that there is nothing else whatever in dispute,—that is, between the parties and of a legal character.

Hon. W. L. MACKENZIE KING (leader of the Opposition): Mr. Speaker, I should not like the third reading of this Bill to pass without once again stating my objections to the measure. In the first place, as I mentioned on the second reading of the Bill and in committee, it seems to me that Parliament is acting blindfolded in this matter. I repeat what I said before: that I do not believe a single member of the House has read the orders which are indicated in the schedule only by numbers, and to which we are being asked to give the effect of law. It is beneath the dignity of Parliament—indeed, it is bringing Parliament into contempt—to ask us to enact as law a code of regulations that we have not even perused. I hope I shall never see the day when as a member of this Parliament I shall be prepared to consent to any legislation without knowledge of the particulars to which it is proposed to give the force of legal enactment.

Another objection to this measure, and one that I think is very important—I spoke of it on the second reading of the Bill and I thought some member of the Government would deal with that aspect of the question—is the constitutionality of a measure of this kind. This particular measure deals with matters of contract which come almost exclusively under the heading of property and civil rights. Under the Brit-

ish North America Act matters pertaining to property and civil rights come within the exclusive jurisdiction of the provinces; that being the case, it would appear that this Parliament has no jurisdiction in this time of peace, to pass a law which will in any way over-ride the legislative powers of the provinces. I wish to make this position very clear for the reason that I am informed that the Government of Alberta, which is one of the provinces concerned, are taking strong exception to this legislation. I have it on direct information from a member of the Government of Alberta that they have never been conferred with by the Federal Government in regard to this proposed enactment, and indeed the same, I believe, is true of the Government of British Columbia. I am informed that the Government of Alberta intend to take exception to any over-riding of what they consider the rights of that province by the Federal Government. If we are anxious to further industrial peace and to help along the cause of law, order and good government in this country, we should be careful to avoid legislation which is certain to cause disputes between the provinces and the Dominion on a question of federal jurisdiction. Indeed, when we were discussing the eight-hour day in this House, the Hon. the Minister of Justice (Mr. Doherty) distinctly stated that he was of the opinion that this Parliament had no power to enact legislation dealing with the interpretation of contracts having to do with property and civil rights within the different provinces. The minister's words to that effect will be found in Hansard at page 472. If that be the opinion of the Minister of Justice of the Government, how can the Administration introduce and ask this Parliament to enact into law a measure which is directly in violation of the opinion expressed by the hon. minister. Inasmuch as this measure and the method of its introduction over-rides what is befitting the position of Parliament as a deliberative assembly, ignores Parliamentary procedure and rights, and once enacted is certain to raise a question of jurisdiction between the provinces and the Federal Government, a question of jurisdiction which, according to the opinion of the Minister of Justice himself, will in all probability be decided against this Parliament, I wish once again to register a strong protest against the Bill being enacted into law.

[Mr. Mackenzie King.]

Sir ROBERT BORDEN: Mr. Speaker, in reply to what the hon. gentleman has urged, so far as I am aware, we have heard nothing of any protest from the Government of Alberta or the Government of Saskatchewan. As it is something like a month or more since this Bill was introduced, one would be inclined to believe that if the Government of Saskatchewan or the Government of Alberta—

Mr. W. L. MACKENZIE KING: The Government of British Columbia.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): —or the Government of British Columbia, or any other Government desired to take exception to this Bill, they would send a communication to this Government instead of whispering their protest into the ear of my hon. friend, if that is what they have done. Further than that, my hon friend, must know if he has considered the situation at all, that these orders were made to the end that the people of Alberta and Saskatchewan might not undergo incalculable hardship and suffering from lack of coal during the long winter months. If these Governments take any exception to our jurisdiction and consider that the jurisdiction belongs to them and not to us. I would expect them to introduce any necessary legislation of their own so that the condition of order which has been brought about through the enactment of these regulations should be preserved without any question of a technical character being raised between this Government and any Provincial Government. We do not desire to raise any controversial question with them. The orders were made in the first instance for avoidance of hardship and suffering. Now we want to validate them if it is possible for this Parliament to do so, without trenching in any way upon the jurisdiction of the legislature of Alberta or the legislature of Saskatchewan. In order that we might avoid any possible question, this measure was submitted to the Deputy Minister of Justice for his opinion before it was introduced, and we have his opinion that it is within the competence of this Parliament. I recollect very well hearing Mr. Gladstone, on the only occasion when I had the privilege of hearing him speak in Parliament, say to the British House of Commons in respect of a question raised there, that every one must recognize at once that a government ought to be and must be guided by the opinion of the law officers of the Crown. We have

been guided by that opinion; and further, when the question of jurisdiction was raised in the Senate of Canada by one of the honourable members of that body, the Minister of Labour took the matter up again with the Minister of Justice and the deputy minister and he was again assured that there was no reasonable doubt upon the subject, and that, according to the opinion of the law officers of the Crown, the jurisdiction of this Parliament in the premises is absolutely undoubted. Under the circumstances, I do not see any merit in the protest which my hon. friend (Mr. Mackenzie King) has put forward, and I sincerely trust that the third reading of this Bill will command the approval of hon. gentlemen.

Mr. D. D. McKENZIE (Cape Breton North and Victoria): Mr. Speaker, I listened the other day to what the Minister of the Interior (Mr. Meighen) had to say about this Bill, and as usual, of course, we were given a very clear statement of his attitude and the attitude of the Government in regard to it. Nevertheless, I cannot help concurring absolutely in what has been said by the leader of the Opposition (Mr. Mackenzie King) in regard to the desirability of information being placed before the House in connection with any legislation that we are called upon to pass. There may be occasions when it is impossible to give us information of that kind, but this is not one of them, and a fuller explanation of the contents of those orders and the necessity for them should have been furnished.

I did not, however, rise on this occasion to speak about that particular point. I want to say in reply to the Prime Minister (Sir Robert Borden) that, as a rule, although there may be exceptions, all matters that come within property and civil rights ought, under our constitution, to be dealt with by the local authorities. That is a general rule that is well recognized, not only in this Parliament, but in the courts of the country. There may be a distinction in this case because the coal with which we are dealing is not the property of the provinces. The property with which we are dealing in connection with coal management, sales and operations in the different provinces is not local property, and although I did not see nor hear the opinion of the Deputy Minister of Justice, it is quite probably that he was influenced in giving it by knowledge of the fact that the property with which we were dealing was Dominion Government property and not property belonging to the provinces.

He may or may not have had that view. I must say to the Minister of the Interior that I object as strenuously as I can to any legislation being passed by this House which interferes with litigation that is pending in the courts. I need not waste any time in telling any layman in this House, much less the Minister of the Interior, what a dangerous policy it would be for any Parliament to interfere with the practice and operation and jurisdiction of the courts of this country. Here is a case where a man commenced an action in some court of the province of British Columbia. It is said that a decision was given against him by the trial judge. He then has a right to appeal to the Appellate Court of the province of British Columbia. There are thousands of cases where the decision of a lower court has been reversed on appeal. I suppose on the average more cases succeed on appeal than are thrown out, and we have no right to say that this man would not succeed on appeal to the Appellate Court of British Columbia. That is the case here as I understand it. There is an appeal pending from the judgment of the trial court. That judgment carries costs. The men might or might not succeed on appeal, but by this legislation we are blocking his way to appeal entirely. We are saying to him "You can go no further. There is a statute of this Parliament which strikes at the very point you are taking, which is, that these Orders in Council were not constitutional, and that the director went outside his jurisdiction." That contention may be perfectly well founded, but we are passing an Act that takes away from that man the right to appeal, and that throws him out of court. The least we should do is to undertake to pay his costs and outlays so far as he went. We have no right to pass an Act of Parliament that throws him out of court and makes him amenable to any costs incurred up to that point. That is one of the dangers of passing legislation of this kind. I would undertake to say that it has never been done before. I never saw an Act passed by our local Legislature, where I sat for some years, or by this Parliament, which had a tendency to encroach on the rights of litigants that did not contain a provision to the effect that the legislation should not affect any pending litigation. If the minister will put that well known and ordinary provision in his Bill,

I shall have no objection to it. I am sure the minister must be familiar with that provision, and he ought not to object to including it in this Bill.

There are two ways in which the same purpose can be accomplished in matters of this kind. If it was absolutely necessary that our officer should do things perhaps beyond his jurisdiction, we can protect him by allowing the law to take its course, and if there are any damages found against him, by paying those damages. That is the best way. If in the public interests of this country it should be found that this officer, exercising his best judgment, went beyond his jurisdiction and did things which he did not have power to do, thereby causing damages to somebody, let us pay those damages and protect the officer. But do not let us pass legislation to throw a man out of court and deprive him of his rights. I quite appreciate the necessity of giving large powers to officers of this kind, but as I have already said, there are two courses open to us. One is the course we are taking now, of confirming an act of the Coal Director whether it was right or wrong, and the other is to allow the law to take its course and assume responsibility for any damages that he has in good faith caused by exceeding the jurisdiction we imposed upon him. I shall be very much surprised if the minister allows the Parliament of Canada to gain the reputation of passing legislation which has the effect of throwing out of court a man who is in the position of appealing to the Appellate Court from the decision of a trial court.

Mr. A. R. McMASTER (Brome): I shall detain the House very briefly indeed with the remarks I have to make. They will be to press home, if I can, the remarks just made by the hon. member for Cape Breton North and Victoria (Mr. McKenzie). This Bill consists of two clauses. The first clause continues the power of the Director of Coal Operations. That may or may not be wise, as a matter of policy. The second clause validates the orders which the Coal Director made by virtue of the Orders in Council passed some time ago, under which the Coal Director carried on his work. Now either the Director of Coal Operations acted within the authority confered upon him, and if he did, this section is unnecessary, or he acted outside his authority, in which case there may be, and we know that there actually are people questioning his action before the courts. Certainly one of these cases is still pending. That being the case, if we confirm and validate and render legal what he did, we are putting ourselves in the position of passing post hoc legislation and of taking away without compensation a legal right which is claimed and which is being urged before the courts of the land. I cannot imagine any act of Government more subversive of sound principles than such an act, and I would ask the minister to eliminate this second clause of his Bill. If he cannot do that, I would ask him for his own sake and for the sake of the members of this House to make this second clause provide "saving the rights which are now being litigated before the courts," so that no man in this country will be able to say "I went into His Majesty's Court with a claim which I believed to be a just and right claim, and while it was under consideration by the court, or while I was preparing to argue my case before an appeal court, the Parliament of Canada without the slightest compensation to me took away the right which I believed I had." I would ask the minister to remove the possibility of that stigma being placed upon this Parliament.

Motion agreed to, on division.

## IRRIGATION ACT AMENDMENT.

On the motion of Hon. Arthur Meighen (Minister of the Interior), Bill No. 168, to amend the Irrigation Act, was read the second time and the House went into committee thereon, Mr. Boivin in the Chair:

On section 1—"spring" included in waters vested in Crown since 23rd July, 1894.

Mr. MACKENZIE KING: What is the significance of the change in this section?

Mr. MEIGHEN: It has little significance indeed. Under the Act of 1894, which brought all surface water under the authority of the Government and required no one to divert or use surface water except by permit or license, surface water was defined very comprehensively. A question has arisen as to whether or not that definition was wide enough to include water coming from springs. The Act has always been operated since 1894 on the assumption that that definition did include water arising from springs, and really for the life of me I cannot see how it could do anything else than include such water. The definition is wide enough to include it, but the question having arisen, Mr. Drake, of the Irrigation Branch, is very anxious to set it at rest and make sure that we have operated

within our rights all these years in controlling spring water in the three provinces concerned in the same way that we control surface water.

Section agreed to.

On section 3—error corrected.

Mr. MACKENZIE KING: How did that error occur?

Mr. MEIGHEN: I do not know how it occurred. I had a written explanation, but it is not here.

Section agreed to.

On section 4—application for water for purposes having precedence affecting prior grants.

Mr. MEIGHEN: Perhaps I should explain this clause more fully. Section 10 has four subsections, and this amendment proposes another subsection (4A). The first subsection declares that any water the property of which is vested in the Crown may be acquired for domestic, municipal, industrial, irrigation, and other purposes, including the granting of permission to erect dams, piers, booms and other necessary works in any non-navigable stream to facilitate the passage of logs, timber and other products of the forest along such stream, upon application being made; secondly, that all applications shall be made in accordance with the provisions of the Act; thirdly, such applications must show precedence according to the respective dates of their filing with the Commission. The fourth subsection provides that, subject to the provisions of subsection 3, applications for the several purposes mentioned shall show precedence in the following order: First, domestic purposes; second, municipal purposes; third, industrial purposes; fourth, irrigation purposes; and fifth, other purposes. That is to say, if there is just enough water for necessary domestic purposes, then the minister is bound to give those purposes priority. Then, if there is any more water he is bound to consider municipal purposes; next, industrial purposes, and then irrigation purposes, and finally other purposes. After the lapse of many years and very considerable development of irrigation in Alberta, water rights that have been granted for irrigation purposes or, say, industrial purposes have been exploited, and then perhaps a town springs up, and it turns out that the water is needed for domestic purposes. But the water right has gone and there is no provision for recovering it. So that the clause sought to be added is to give the right to expropriate water for an inferior purpose for the benefit of a superior purpose upon payment of due compensation.

Mr. McMASTER: Are these water rights alienated absolutely or only for a term of years?

Mr. MEIGHEN: They are not alienated absolutely. The water right is granted, but I do not think that any definite number of years is fixed. Perhaps the hon. member for Lethbridge (Mr. Buchanan) would know.

Mr. BUCHANAN: I do not think there is a definite period.

Mr. MEIGHEN: The water right is granted subject to certain conditions which must be lived up to year by year, but there is no definite number of years. You could not do that. For example, if you give a water right at the Bow river for irrigation, no man would put in an irrigation system like that of the Northwest Irrigation Company, going to the expense of building a system of canals, as they have done, at a cost of over $12,000,000, unless the water right is perpetuated. As I say, certain conditions contained in the water right must be lived up to, and those conditions are set out in the Irrigation Act; but so long as they comply with those conditions they have a permanent water right.

Mr. BUCHANAN: A number of irrigation systems have developed all over Alberta and all have been established by private companies. The Canadian Pacific own what is known as the old company headed by the late Sir Alexander Galt. They secured the rights to irrigate certain lands and in disposing of the lands to the people who purchase from them they have to guarantee a certain amount of water each season. Consequently these water rights, in my judgment, are permanent for all time, because it is part of the contract between the company and the purchasers to supply their land with water. If they cannot carry out that contract and supply them with water the farm is not worth while and the farmer is stranded. There is a very serious condition in a section of Alberta at this moment and there is an urgent demand for the extension of irrigation. In one section of Southern Alberta, stretching from McLeod to the Little Bow river and north thirty miles, the crop was practically blown out last week. Soil drifting is the great trouble there and they feel that the only remedy for the situation is the encouragement and development of irriga-

tion. If the extension of irrigation does not come immediately I venture to say to this House that there will be a movement of hundreds of farmers out of that section of country because under present conditions they cannot farm there with success. Alongside of them there are these irrigation districts which we have been referring to, where farmers are enjoying the greatest prosperity, because conditions which strike the man on the dry land do not strike the man on irrigated land.

Mr. McMASTER: Dry territory does not help?

Mr. BUCHANAN: I am sure that an investment in irrigation on the part of the Alberta Government or of this Government for the purpose of irrigating these lands will save these people to this country and if that investment is not made these people are going to leave Canada and they are going to give a black eye to Canada because what they say will not apply to one section only but to the whole of Western Canada. Irrigation has been a huge success in Alberta and the yields of irrigated land are much greater than those of dry land in any part of Western Canada. Last year in the irrigated district alongside the city of Lethbridge the wealth in crops raised was about $5,000,000. The minister will bear me out in the statement that he travelled over eighty miles of country there last fall and that he did not see the slightest indication of a crop until he reached this irrigated district. It was rich with all kinds of crops. If we can do something to encourage irrigation and to establish these systems it will keep the people already in that country, and for the Governments which are responsible for bringing them into Canada and settling them on this land it will be a good investment because any money expended in order to establish a system of irrigation will be returned, I venture to say, a hundred fold.

Mr. McMASTER: May I just remark that the object of my question to the minister was to bring before the committee the inadvisability of alienating the public domain where it is possible to carry on the development without doing so. I can quite understand how difficult it may be to get an irrigation company to make a great capital investment without giving them a tenure which is going to repay them and keep matters in a condition of practical continuity or permanency. I would be glad to learn from the minister whether, when these rights are granted, provision is made for an increase in the tolls for the water. Let me draw attention to a similar case. In the province of Quebec we have a very valuable Crown domain in our forests. These forests are operated by lumbermen who have great investments in their mills, slides, booms, improvements of waterways and so on. But the Government, about every ten years, adjusts the scale of stumpage and usually on an ascending scale. I would be glad to know whether the conditions under which this water is leased to irrigation companies contains provisions whereby, when the water becomes more and more valuable owing to the increase in population and the fertility of the soil, the people will be able to draw the benefit from that by charging a higher rate.

Mr. MEIGHEN: I do not think there is any provision for a rate for the water at all. That is the recollection also of my hon. friend from Lethbridge (Mr. Buchanan). In this connection—I do not say it as a rejoinder—the water rights that have been granted, I think, were granted some time before 1911 to the Canada Land Irrigation Company and the Canadian Pacific. The great bulk of the development had proceeded through water rights granted before that year; so that if there was an error in policy it would not be attributable to me or to the two ministers before me. I do not think there was; I think the policy was right. The water which is used I have never regarded as something out of which the rest of the Dominion could exact a toll. It should be used with the greatest advantage to the people within the radius who can use it. All we seek to do is to so conserve and distribute the surplus water supply of that country as to get the utmost possible benefit for the people there. We give water rights to companies for irrigation purposes providing municipal and industrial purposes do not first appear as necessary. We give the right, say, to take so many second feet from the St. Mary river. We do not give that right until we see what is going to be done with the water, what is the plan for diverting that water and storing it and what land is to be benefited by it. We look after that. We also see that we have control of the water rate to be charged. We control also the duty of water; that is to say the amount of water that can be supplied to any given acreage of land per year. The Dominion Government will not permit the issue of water leases by the companies. The Canadian Pacific and the Canada Land and Irrigation Company—they are the chief ones—use only

the form of lease that is approved by the department. In the body of these leases provision is made for duty of water; consequently, we control the duty of water. We control the rate to be charged and everything else but the object is not to get revenue for the Dominion. The object is to get the utmost value of the water.

I want to say a word in reference to the hon. member for Lethbridge. I quite understand his bringing this question before the committee. Among the projects that have been before the Irrigation Branch of the Department of the Interior one of the most important is that of the Lethbridge Northern Irrigation project. Let the committee understand that the policy of the Department of the Interior, historically and most clearly emphasized within recent years, has been to only perform such services as are necessary to be performed in order that the department may know what the best use of the water is and in order that the department may have all the engineering and survey information to enable it to administer the water rights of the country. Consequently all the survey work has been done by the Interior Department. We also have offered—looking to the same end—to lend engineering assistance to any practical construction enterprise; but beyond that the Interior Department, or the Government of Canada, has never gone. We have taken the ground that after that work is done and the money expended for that purpose —from the Federal Treasury is gone—and it has amounted to huge sums of money; I think our appropriation this year is in the neighbourhood of a million—after granting very large sums of money—and they are not returnable; this is not in the nature of a loan, it is in the nature of an investment out of the Federal Treasury for the benefit of the district—then we feel that our duty is performed and beyond that point the obligation rests upon the local authorities, municipal or provincial, or even private.

Now, one of the areas in which we have operated for some time and in respect of which our work is practically complete—it is largely advanced anyway—is this northern Lethbridge irrigation district. That district has been without water, has been scourged with famine for three years previous to this, and consequently distress—or something very close to distress—prevails throughout it. Some 90,000 acres are included in our irrigation project there. This year—although generally speaking the season was propitious and there was quite a lot of rain—a tornado has swept the district and has driven the soil into piles; in fact it has denuded the whole surface of the earth in that district, of soil.

Mr. McMASTER: The people should come back to the East.

Mr. MEIGHEN: This could not have occurred had the actual work been done. That is to say had the land been brought under irrigation there could have been no such drifting of the soil. Therefore at the present time a very serious situation faces those people, and I can understand the concern of the hon. member for Lethbridge (Mr. Buchanan) in this regard. Now so far as the Government of Canada is concerned I do not know that all of us feel the same intimate sympathy with the people that I do. I would feel like going to the extreme limit that the Federal Government could possibly go, in justice to the rest of this Dominion in seeking to co-operate with the provincial authorities to relieve that situation; but I think the line having been clearly drawn, and there being no possibility of doubt as to the wisdom of the point at which it is drawn, we cannot go further—at least until we have some proposal from the local authorities looking for further advance.

Mr. BUCHANAN: I would like to represent the view of the people in that particular community. They feel that the condition which exists this year should be treated as an emergency because it has left them in practically the same position as Halifax was left in a few years ago, when that city was blown up. Practically everything in the world that these people had has been blown away. Now I make this statement: They have had crop failures there for three years, and everything they have is mortgaged up to the hilt. There is no relief for them whatever except through the development of irrigation. That will save them and that will make the district—and the people who live in that district—worth while to this country. If they are not saved now it is hard to say what will happen. The chief trouble is to dispose of the bonds and—in my judgment—there will have to be co-operation between the province and the Dominion in order to met the situation. If the leader of the Opposition or the member for Brome (Mr. McMaster) should happen to visit the West this year and go into my part of the country I will show them some of the richest country in Western Canada—that is the irrigation sections around Lethbridge.

I will be very glad to see both gentlemen and to show those sections to them.

4 p.m. Mr. MACKENZIE KING: We will be there.

Mr. McKENZIE: I have not very much to say about this matter. I am in the fullest possible sympathy with the people whose lands have been placed in the condition described by the Minister of the Interior, and the hon. member for Lethbridge. The latter said that the farmers in that part of the country are in the same position as the people of Halifax when they had the explosion. There is this difference, however, in the two situations: The people of the Lethbridge district have to find fault with the dispensation of Providence, whereas the people of Halifax had to suffer by reason of the stupidity of certain men sent by the Federal Government to take over Halifax harbour. There is that very strong difference between the two situations.

Mr. MEIGHEN: What does the hon. gentleman say?

Mr. McKENZIE: I said that the farmers in that section of the West have to put up with the dispensation of Providence,—with hot winds, tornadoes, and that sort of thing —whereas the people of Halifax had to find fault with a lot of stupid men sent by this Government to handle the business of the harbour. That is the striking difference between the two situations.

Mr. MEIGHEN: Does the hon. member mean to say that that caused the explosion at Halifax?

Mr. McKENZIE: Yes, that caused the explosion. The finding of the court was that the ships were stupidly handled, allowed to come into collision, and that caused the explosion.

Mr. MEIGHEN: Did we handle the ships?

Mr. McKENZIE: Your officers handled the ships.

Mr. MEIGHEN: I thought they were handled by their captains?

Mr. McKENZIE: Certainly, but they were under the guidance of the harbour master at the time. He was an official of this Government, and if he knew his business would not have allowed the two ships to come together at the narrow place where they collided. That is certainly where he was at fault. I believe possibly the captains did the best they could, but the vessels should never have been allowed to come together in a narrow passage when the harbour authorities could and should have prevented it. There is that striking difference between the situation in the West and the situation in the harbour of Halifax. But what I was going to say to the minister is that if we as a Government, and as a country, are selling those lands—

Mr. MEIGHEN: Is the hon. member sure that the Government is not responsible for that tornado in the West? I would not like him to be too rash.

Mr. McMASTER: He said you were not responsible.

Mr. McKENZIE: Unless the hon. gentleman unites himself with Providence, I leave that matter in doubt for the present. What I was going on to say is this: If we as a Government, and as a country, encouraged people to go upon this land we certainly have every right to look after them and see that everything is done for them that possibly could be done. But if those lands were sold by land companies and speculators, as a matter of speculation I do not quite see the justice of our coming in at very large expense and helping to make those lands habitable, when I am hopeful we have other lands better fitted for cultivation which ought to have been available for settlement. The point I make is that if we are encouraging farmers to settle on lands in the West we should first of all place them on good lands, if we have anything at all to say about it, which would offer a better prospect to settlers and entail less expense upon the people of the country. I say further that if lands that were being held for speculative reasons were sold to farmers for farming purposes when they were not fit for such purposes then those companies and speculators and not the people of Canada should assume the responsibility. Such land companies have no very great claim on us to make those lands fit for cultivation as farms when they were not suitable for any such purpose at the time of sale. I draw a distinction between the two conditions. I repeat that if we encourage settlers to go on those lands, and place them there, we have a right to do everything possible to help them out. But if the lands were bought from land companies who were holding the land for speculative purposes then the sufferers should look to those companies for succour in their time of distress; I do not think they have the same claim on us, as they might have under the other conditions referred to. If we have lands which are fit

for cultivation and which do not need irrigation we should direct people to those lands before we put them on lands which are not fit for cultivation.

Mr. BUCHANAN: The people who are crying for irrigation and who must have it to save their lives are people who have been in that district for fifteen years. They have their homes and their farm buildings, but they are stranded now because they can get no crops on account of the peculiar situation that exists. They are prepared to bond everything they have, land, buildings and everything else, in order to raise money to bring irrigation into that district. There is practically no wild or idle land in that part of the country—that is to say, that would be of advantage to promoters or companies. The district has been incorporated under the Alberta Irrigation Act, but it is impossible except at great sacrifice to dispose of the bonds on the financial market at the present time; their disposition under these conditions would increase the cost per acre for irrigation. So that if in some way Governments could assist to maintain the value of these bonds it would be well worth while. Mention was made by my hon. friend (Mr. McMaster) of charges for water. In the commencement of development of irrigation in Western Canada, as I recollect it, Governments were only too willing to encourage companies to go in and irrigate the land, and to give them certain privileges in regard to water. But in no case can any of these companies make a charge for the water right to the individual farmer without first obtaining the approval of the Department of Irrigation at Ottawa. There is no opportunity for them to use the water in order to make money out of it for themselves. The matter is dealt with somewhat on the same basis as the distribution of Hydro-Electric power and light in Ontario. That was the policy that was adopted back in the early nineties and which has been followed since. The district I speak of has been formed practically on the same basis as a rural municipality and the people have voted a bond issue in order to bring in the water for distribution over that area. As I have said, if they could dispose of these bonds there would be no trouble whatever, but at present they cannot dispose of them. A wind storm has come along and blown all their crop away and they are stranded. What I now want is co-operation between the Dominion and Provincial Governments to bring about a solution of the problem.

Mr. MARTIN: Did I understand my hon. friend (Mr. McKenzie) to blame the harbour master at Halifax for the explosion that took place there?

Mr. McKENZIE: Not the man who is really called the harbour master, because he was superseded by the officer who was in charge at that time.

Mr. MARTIN: I wish to say that he had nothing to do with it. It was taken out of his hands altogether by the naval authorities.

Section agreed to.

On section 5—power to reserve any unappropriated water, and allocate the whole or any part in the public interest:

Mr. MACKENZIE KING: Will the minister explain this clause?

Mr. MEIGHEN: When I was looking over this coal area last August accompanied by Mr. Drake, we came to the conclusion that the supply of water that was going to be available would be far short of what could be usefully applied to the land there and that if priority of application were in the future to prevail we were not likely to get the best results from that water. Consequently I put through an Order in Council, which at the time we felt was fully within our powers, reserving the unappropriated water in order that a full survey might be made of it with a view to its best utilization. This clause grants that power and dates it back to the date of the order so that there may be no question as to the validity of the reservation then made.

Section agreed to.

On section 6—storage of water:

Mr. MEIGHEN: This clause provides for the joint utilization of works constructed or under construction and for their joint maintenance thereafter. The principle was embodied in the old legislation but the old legislation enabled only the division or use of works constructed. This goes on and in more detail provides that during construction the minister may make orders as to joint utilization, say, of a canal, or of a reservoir, upon such terms as may be mutually agreed upon or, failing agreement, as determined by himself. Otherwise duplication would inevitably result in capital investment in canal, reservoir and irrigation construction.

Mr. McMASTER: Subclause (2) of clause 6 reads:

The minister may grant to any applicant for the carriage of water to his lands, the right to use any portion of the works constructed, under construction, or to be constructed, by any company whenever, in his opinion, it is necessary or desirable so to do.

The word "company," it seems to me, contemplates that only a company is to put up works of this character. I would presume they were generally put up by companies, but I could quite understand where a rich man interested in the development of a section might himself as an individual be constructing works. In that case, it would seem to me that a neighbour would have the same right to come in as if the work were being constructed by a company. I would, therefore, suggest to the minister the use of some language which would cover both a private individual and a company or a partnership.

Mr. MEIGHEN: I did not notice that. I do not know why the word "company" is used, and unless the word "company" is defined in the interpretation clauses of the main Act to include a person, I would certainly think it should be changed. I should not like to change it now because I have not the main Act in front of me, but unless the word "company" is defined so as to be wide enough, I will ask that an amendment to that effect be made in the Senate.

Section agreed to.

On section 7—penalty for refusal to neglect to carry out orders.

Mr. MACKENZIE KING: This clause is of the nature of several others to which I have taken objection, namely, giving the minister power to issue orders and then providing penalties of a somewhat severe nature should any one disobey them. When penalties are provided, some safeguard and protection ought to be thrown around the liberties of individuals, and the power to make orders enforcable by penalty ought to be restricted at least to an Order in Council and not simply left to the caprice of the minister.

Mr. MEIGHEN: The minister has to do what is set out, say in the previous clause; he has to come to a conclusion as to what is a reasonable arrangement for the use and maintenance of a joint canal, and he determines on that. It is necessary that his order be obeyed; otherwise the clause is nugatory. I only wish to say again that I have no objection and I have never known of any minister who has had any objection to being compelled to go to Council for an Order. That is a protection to the minister; he feels that the responsibility is not his. The difficulty is that the proceeding cannot be anything other than a mere formality, and indeed, an impediment to the proper transaction of business that is necessarily the business of Government. The present state of affairs is really ridiculous; a minister cannot accept the resignation of a clerk; he cannot enfranchise an Indian on his own application; he cannot cancel a sale of school lands except by an Order of the Governor in Council, and what is the result? Every week there may be twenty school land sales cancelled, I do not know how many Indians enfranchised and all the rest of it. I have given only a few illustrations out of hundreds. The consequence is that a plethora of material reaches Council, and the consideration of subjects that must be considered by the Cabinet as a whole is really impeded by the Cabinet having to go through what is merely routine, and you get no result from that at all. I know this seems of itself as important, and unless one realizes the tremendous scope and extent of the volume of business that comes before Council, one is very much inclined to do this. I have not the silghtest exception to this being done; but I know as well as I am standing on my feet that it would not be ultimately in the public interest. Of course, if we change this, we shall have to go back and change all the other clauses of the Bill.

Mr. MACKENZIE KING: Might I point out to the minister that there is a considerable difference between the acceptance of the resignation of some clerk by Order in Council and the imposing of a penalty of $500 or two months imprisonment upon a free citizen? That is the point to which I am taking exception. I quite agree with what the minister has said that the time of Council is altogether too much taken up in dealing with routine matters that come before it; but there are some matters concerning which it is really wise to have extra precautions taken and any matter which imposes a penalty upon an individual belongs to that class. The minister is right when he says that this would be a protection to the minister himself. In these cases, many orders must necessarily be left to subordinate officials, the minister simply giving his signature of approval to an order. If a little extra precaution could be thrown around all orders of that kind, a greater sense of security would be afforded to parties concerned, and I hope the minister will follow out the suggestion.

Mr. MEIGHEN: I would be glad to do so and to go over the Bill and change every clause of it so as to have every order made by the minister supplemented by an Order in Council. But I feel, if I do that, I shall have to go through the whole of the original Act which I think was passed by a former Government of the party to which the hon. member belongs, and see that the minister had no power to make an order there except with the authority of the Governor in Council. As long as the minister has power to make an order, there must be a clause providing for a penalty. It happens that there are several specific clauses providing for penalties for specific violations; but through some oversight there was no general clause, as there always should be, providing for a penalty for violation of the Act. This is that general clause, and consequently it applies to the whole Act. If the minister is not to be allowed to make an order for himself, then the whole Act must be amended so as to ensure that he has not that power. There is no use giving the minister the power to make an order and then having no clause which enables that order to be enforced. That prevents me from accepting the suggestion, although I would much rather accept it as regards this Bill than have any contention over it.

Mr. McMASTER: Might I make a suggestion which might help the situation, although perhaps I am not sufficiently familiar with the Bill or with the original Act to make this suggestion with any degree of confidence? The minister will not be in the position of having to fine or imprison a person unless that person has refused to obey the minister's order, and these orders will very possibly come under section 6. If I am right so far, I would suggest that under subsection (3) of section 6 the minister is the sole arbiter to determine the amount to be paid. Why not provide for an appeal from the minister's decision, either to a court or to Council, so that those people who are not satisfied with the minister's decision shall have the right to appeal. Then if people have not confidence in their case and are not prepared to appeal, they cannot complain if the minister is given power to punish them for their recalcitrancy.

Mr. MEIGHEN: I think it would be better and would meet the hon. member's wishes if we amended section 6 to make every order of the minister subject to the approval of the Governor in Council. Then any one disobeying section 6 would be disobeying the Governor in Council. So far as section 6 is concerned, I am quite prepared to have those words inserted.

Mr. McMASTER: I do not desire to accumulate the work before Council. I quite understand the soundness of the minister's contention that Council is already loaded up with a lot of routine matters to the disadvantage of the public interest. My idea was to give to a party dissatisfied with the minister's determination of the question an opportunity to appeal to Council or to the court of appeal in the province in which the dispute arose. Then if the man did not take an appeal he would be acquiescing in the minister's judgment, and he could not complain of receiving his punishment at the hands of the minister, while it would protect the subject from having the minister alone find him guilty or render a decision with which he was dissatisfied. The minister is going even further to meet my objection than I asked. I limited my demand, in view of his statement as to the accumulation of routine matters before Council.

Mr. MEIGHEN: If the minister has power to make an order and makes an order, you could not say to a man "If you dispute that order we will give you an appeal against the minister to the Governor in Council, "because the Governor in Council would be bound to support the minister or the minister would have to go. Once the order goes out, that is the law of the land, and the only place to bring in the Governor in Council is precedent to the order going out.

Mr. McMASTER: It seems to me that the minister under subsection (3) of section 6 really sits as an arbitrator, or a sort of judge, and there is no reason, it seems to me, why sitting as a judge he should feel that he would have to resign if Council did not support him.

Mr. MEIGHEN: Once his order has gone out. The minister makes his order determining the conditions for the joint use of the canal. His order has gone out. Then John Smith says: "I will not follow it. I will not pay my share," and he goes to the Governor in Council. Now the minister's order is the law of the land. It has gone out, and John Smith is appealing between the minister and the Government, and the Government must support its own minister. There is no precedent anywhere for an appeal of that kind. I am quite content to

say that no such order shall go out until the Governor in Council approves of it. Certainly I agree with the leader of the Opposition that there are many other things of infinitely less consequence that the Governor in Council must approve of.

Mr. MACKENZIE KING: Will the minister submit his amendment?

Mr. MEIGHEN: I will prepare it while the Chairman is reading the next section.

Section agreed to.

On the motion of Mr. Meighen the committee reverted to section 6—storage of water:

Mr. MEIGHEN: I beg to add as subclause 5 of section 6 the following:

All orders made under this section shall be approved by the Governor in Council.

Mr. MACKENZIE KING: That is all right.

Amendment agreed to.

Section as amended agreed to, Bill reported, read the third time, and passed.

## SUPPLY.

House again in Committee of Supply, Mr. Boivin in the Chair:

Militia and Defence—Cadet services, $390,000.

Mr. MACKENZIE KING: There is a considerable increase here over the amount that was voted last year for this purpose. Perhaps the minister would give the committee some particulars as to what he proposes to do with this money.

Mr. GUTHRIE: The amount voted for 1919-20 was $100,000; this year it is $390,000. During the year 1918-19 the expenditure under this head was only $68,000, but in 1913-14, the year immediately preceding the war, it was $392,206. That was considered about the normal expenditure for pre-war times. During the war not so much attention was paid to cadet training as prior to the war, but I think the House will realize the value of that training. It has a value to the whole country apart altogether from any question of militia training, and it is proposed now to return to the pre-war basis, the amount asked for the current year being practically the same as was voted before the war. During the war certain reductions were made and the annual cadet camps were not held. It is intended to hold those camps this year, and to restore the former allowances which were made to the instructors. It is the purpose to give school teachers and instructors the opportunity of themselves being trained for the purpose of properly instructing the cadets. In this way the pre-war system will be re-instated.



Mr. MACKENZIE KING: What classes of persons are given cadet training?

Mr. GUTHRIE: The Statute that applies to this subject is the Militia Act, Section 64, the Statutes of Canada, 1906. The cadet corps are divided into three classes: first, those composed of pupils in attendance at colleges and schools controlled by the Government of the province in which such institutions are situated; second, those composed of pupils in attendance at colleges and schools not under government control; and third, those composed of lads who, with the permission of their parents or guardians, prefer to join a corps unconnected with any educational establishment. Those three classes are trained.

Mr. MARCIL (Bonaventure): What formalities are necessary for the formation of a cadet corps in any rural district?

Mr. GUTHRIE: Application is made to cadet training inspector of the district asking for permission to establish a corps and setting out the number of pupils that can be entered and trained. If the number is sufficient to warrant its formation, the corps is immediately established and a man is sent from the military district to undertake its training. Once the corps is established it is entitled to all the benefits that accrue under the Act, and teachers are entitled to a certain amount of military training, if you choose to term it so, in order to qualify them for the work in their district.

Mr. MARCIL: What accoutrement does the department furnish?

Mr. GUTHRIE: The accoutrement is modest. The drill inspector is paid, but for the cadets themselves there is only an allowance of $1.25,—$1 for uniform and 25 cents for a hat. I think that is the only accoutrement allowance, although I am not sure of that. Possibly in many cases we have supplied some obsolete arms for the purpose of infantry drill, but the only actual allowance for uniform is $1.25 per head.

Mr. PROULX: Are the camps held during July and August?

Mr. GUTHRIE: As a rule they are held in August and they last for six days. The Estimate for the present year, based on that

of the year preceding the war, is made up as follows: subsistence for 25,000 cadets in camp at 50c. each day, $75,000; transportation and return at $3 per head, $75,000; washing blankets after camp, $5,000; staffs at cadet camps, $10,000; and the usual grant to the Canadian Rifle League of $500. That grant is for cadets. I have given the cost of the camps.

Mr. McKENZIE: I suppose it is rather a dangerous thing for a person to say anything against the training of cadets, but I take the risk of saying that the training of cadets in this country is of a military character, the idea behind it being to bring up a class of men who will have a relish for, and afterwards enter, the militia service. I do not think that it is desirable at the present time, in view of our financial condition, that we should spend money on anything which we can do without. The question is, can we do without the training of cadets just now? Can we do without the militia itself for a few years until we get over the crest of the hill?

Mr. LEGER: Certainly.

Mr. McKENZIE: Are we in a position to spend money to-day for services of this kind? It was said yesterday that cadets were necessary in order to furnish men for the militia. Perhaps so. But I appeal for support in my contention that the present time is inopportune for us to spend money for this purpose. I appeal not only to the minister but to the hon. member for Victoria (Sir Sam Hughes), who perhaps has more experience and knowledge of military matters than any other man in Canada. I am not by any possible means saying that I always agree with the hon. gentleman; but if I were asked the question, who is the man in Canada that has the longest experience and the biggest soldier heart, who is the man that has given the most of his life to military training in this country—I would certainly say the hon. member for Victoria. I therefore appeal to him. When the militia of this country were obliged to go into the open in the Fenian Raid days of 1866, I think, or 1870, I venture to say that we had a class of stalwarts in the militia at that time that cannot be produced to-day. Again, at the time of the trouble in the West in 1885, I appeal to my hon. friend to endorse the opinion that a class of men jumped to arms in this country, as able and capable as could be found in any part of the world either then or to-day. I mention these two epochs in our history because, before 1866 and 1870 and for many years afterwards, we had no cadet corps in this country. Up to 1885 we had no such corps in Canada, and I venture to think that there was not a single man of full age and fully developed physique in the last army that we raised who could in any way ascribe his physical ability and his courage to cadet corps training. I am speaking of my own part of the country, where there can be found men as strong and sturdy and brave as there are anywhere in the world. The men from that part of the country went to the front and won glory for themselves, and there is no such thing in my county as a cadet corps worth mentioning. There are a few organizations here and there, but we have no cadet corps worth talking about. I do not want to talk about myself but when I was growing up there was no such thing as a cadet corps. Yet I can stand about as much hardship as any one. I was about as hardy a Scotch boy as was to be found anywhere, developed entirely through the ordinary games and sports to which young men are usually drawn. There was no petticoat business as there is with this organization that is spoken of now. I think it is very largely a waste of time to have boys going around the country with drumsticks in their hands and wasting energy that might be better developed. I know the risk I am taking and the probable ridicule with which my remarks will be received but I do say that, in the condition of the country to-day when we have no money to extend our railways to the fishing villages along the coast where people are dying for want of proper transportation—not dying in the full sense of the term but praying and pressing for such development; when our harbours, breakwaters, wharves and public works cannot be repaired and are allowed to fall into decay because the Department of Public Works tell us they have no money; when all these things are crying out for the necessary money to keep them up and to develop them in such a way as to help trade in this country and to lower the high cost of living, we are not justified in spending in the neighbourhood of $400,000 for play of this kind that can very well be done without. These things are excellent amusements and possibly have a tendency to develop the mind of the boy in a better direction than would be the case if there were no such training but I submit to the minister, the Government and this committee that there are occasions when there are greater calls than the purpose for which this vote is asked, which calls should

be heeded and anything that can be deferred should be deferred in the present crisis.

Mr. GUTHRIE: My hon. friend seems to think that the cadet service was a very small thing during recent years. A return has, within the last month, been issued on this subject. There were recruited to the forces of Canada during the late war from the cadet corps 44,306 men. Of these men there were killed, or died of wounds, 3,978. To former members of that corps were awarded 25 Victoria Crosses, the largest proportion of Victoria Crosses won in the war; other decorations and honours awarded to former members of the cadet corps 1,529; commissions gained by former members of the cadet corps, 2,323. Surely that is a proud record in so far as the military side of the question is concerned. I do not know what the system is in that part of Nova Scotia which my hon. friend represents in this House but I do know that many years ago in the province of Ontario these cadet corps were formed. I know from practical experience that back in the years 1881 and 1882 they were formed in our educational institutions because I belonged to them in those days. I think the hon. member for Victoria (Sir Sam Hughes) is probably the individual who developed this corps and who utilized it to the greatest advantage to the country. I think the corps was started in Canada by a Crimean veteran. We knew him in my part of the country as Captain Clarke. The hon. member for Victoria recognized his services and made him a colonel. He is still alive, I am glad to say. Throughout the province of Ontario he certainly was the originator of the cadet corps as we have it in our school systems of Ontario to day. It also extends throughout Canada.

Mr. MACKENZIE KING: Is that Captain Clarke of Guelph?

Mr. GUTHRIE: Yes, and of Kitchener, because he trained the schools there too. The cadet corps has been one of the chief supports of the militia and particularly during the late war.

Sir SAM HUGHES: I may say to my hon. friend from North Cape Breton and Victoria (Mr. McKenzie), who has done me the honour to mention my name, that in the old Normal school days in the province of Ontario, Dr. Sangster, who was the principal of the Normal school in Toronto took up the matter of cadet training and Colonel Goodwin and his son who were excellent swordsmen and good shots did splendid work as instructors. No Normal school teacher was allowed to teach who was not qualified to engage in the training of cadet corps in the schools. I wish to draw my hon. friend's attention to the fact that when I was in charge of the Department of Militia and Defence there was scarcely a teacher in the province of Nova Scotia who was not fully qualified to teach the cadet corps and who had not a cadet corps certificate. I am sure that the splendid fellows who were sent out from the schools of North Cape Breton were inspired by the splendid work of the cadet corps in Nova Scotia. Nova Scotia took the matter up very actively through their public education department, under Dr. McKay I think it was, and went into it very enthusiastically. I think the records showed that about 20,000 school teachers in the Dominion of Canada were qualified to instruct students in military drill, calisthenic exercises and physical training. The public at large, the churches and ladies' organizations were at one time opposed to this cadet movement believing that those who engaged in it had murder in their hearts. But those days have gone by and they now recognize its value. This principle is recognized:—

> Beware the soft breathing that preaches of peace
> With a pledge giving lip and a tear lighted eye.
> Hear it all with good will but be provident still
> With men that are earnest and powder that's dry.

That is good old North Cape Breton Presbyterian doctrine. I am glad that my hon. friend (Mr. McKenzie) grew up to be one of the most muscular chaps in the neighbourhood always ready to defend himself with his fists as well as with his tongue.

Mr. GRIESBACH: The hon. member for North Cape Breton (Mr. McKenzie) has gone to the very heart of the matter in discussing the conditions which prevailed in Canada prior to the Fenian Raid and the Rebellion of 1885 in stating that the men of Canada in those days required no particular physical preparation for entering upon any military work. That is the fact due to the social and economic conditions which prevailed in those days. Because the social and economic conditions in Canada have gradually changed, and have brought about a new condition of life, it is necessary that we should have these cadet organizations to, in large measure, take the place of those very social and economic conditions which have changed through the

passing of time. In the old days the life which the people lived more or less fitted them for military duties. The life which people live nowadays has an opposite or different effect. For that reason the cadet corps serve a tremendously useful purpose, as has been pointed out by the minister.

Although I have no Scotch blood in me I would like to protest against the observations of the hon. gentleman from Cape Breton (Mr. McKenzie) in referring to a certain form of military uniform as a petticoat business. I would like to point out that it may look like a petticoat but it is not.

Mr. BURNHAM: I would fain disagree with the hon. member for North Cape Breton about his own tough looking appearance which he seems to pride himself on.

Mr. McMASTER: What was that last observation?

Mr. CHISHOLM: We would like to hear that observation.

Mr. BURNHAM: The hon. member for North Cape Breton said he was about as tough a specimen as there was anywhere.

Mr. CHISHOLM: Physically.

Mr. BURNHAM: Well, I do not say what. Otherwise, however, I do not agree with him. I think that the appropriation for the cadets should be in the Estimates of the Health Department. I have heard very many doctors say that there was absolutely nothing so good for the young men and the young women of that age as cadet training. It counteracts the student stoop; it tends to keep them straight, and prepares them for domestic life in accustoming themselves to the word of command. All these things are valuable and make for peace.

Mr. McGIBBON: Not always.

Mr. BURNHAM: It is not necessary to steer the young into military life simply because you endeavour to promote amongst them a sort of esprit de corps, of snappiness, a pride in their appearance, and of some sense of aversion towards that sloppiness which is apt to characterize young people when they reach a certain age if it is not counteracted. But the strongest argument for all this, as I say, is the doctors' argument. I am sure the member for Fort William (Mr. Manion) will agree with me when I say that the medical profession actually insist upon a continuance of cadet training for the purposes to which I refer. It should not, however, be confined to young men. Young women should have some of it and in the past they have had some of it. I have seen many exhibitions in which young women have formed themselves into companies have been properly trained, and afforded a great deal of entertainment to themselves and other people—useful entertainment. I do not think that such things as these which go to the life, and to the bone and sinew, of the country should be treated lightly or as a matter of mere expense. They should be treated as a matter of health for whatever Government is in power we must have good men and women; and since nowadays the churches themselves confess that they are all gone to the dogs the least we can do is to keep up the school and try to help them out.

Mr. McMASTER: I trust that the member who has just resumed his seat is speaking for his own church and not for the Presbyterian Church of Canada. I will detain the committee for but a very short time this afternoon in offering some observations on this question of cadet services. I am quite willing that money should be spent on developing the health of the youth of Canada. I also agree most heartily with the member for Peterborough (Mr. Burnham) that the young women and girls of Canada have just as great a claim upon the Government for help in the development of their physical powers as have the youth or the boys of Canada. I would like to say that if money is spent along these lines it should be given to organizations such as the Boy Scouts and the Girl Scouts rather than for Cadet Services. It does seem to me, Mr. Chairman, that those of the militarist frame of mind have totally failed to learn the lessons of the recent Great War. We have listened last night in this House to speeches of a profoundly distressing and depressing character. We have heard men, whose reputations and whose characters we hold in high esteem, make statements which, if they mean anything mean this: That the war has been fought in vain; that we are just as far from a reasonable method of settling international disputes as we were in the year 1914; that there is just as much need for military and naval preparation; and that the reign of the Prince of Peace is just as far distant as it ever was. Sixty thousand of the bravest and best of Canadian youth—aye, not only of the youth but of even middle-aged and more matured manhood—lie under the sod of France and Flanders, yet the minister is asking us all the time to go back to the

5 p.m.

scale of military expenditure which was in operation before 1914. I ask him, and I ask his supporters, if those boys died in vain? Is it as necessary now as it was then to spend the same amount of money and to give the same, and even more, time and thought to preparation for war?

Mr. EDWARDS: What do you think about it yourself?

Mr. McMASTER: I think that this war has proved that militarism is the most stupendous and gigantic failure that one can imagine.

Some hon. MEMBERS: Hear, hear.

Mr. McMASTER: I say that those men who come before their respective nations—just as the Minister of Militia came before us last night—and prate that the dignity and the honour of their country—the dignity and the honour of their country forsooth!—can only be supported by training men to kill each other—

Mr. BURNHAM: Does the hon. member think that the men who did fight would have been less effective if they had been trained a little before the war broke out instead of, as it was, taking up so much time in training them?

Mr. McMASTER: I think it was proved in the last great war that those men who went into the army from civil life were, on the whole, more successful commanders, than the professional soldiers.

Some hon. MEMBERS: Hear, hear.

Mr. McMASTER: As one general—

Sir SAM HUGHES: May I ask—

Mr. McMASTER: I would like to have a chance to finish my point. As one general expressed it, they had less to unlearn than others who had been in military life before. I read with pride in a great English newspaper the other day that there were three outstanding corps commanders in the British army: One was the professional soldier, General Haldane; the other two were non-professional soldiers, one being from the Dominion of Australia, I think General Monash, and the other our own Sir Arthur Currie. The two latter were civilians and when the war came they proved themselves to be splendid soldiers. Let me say this again—

Mr. STEVENS: Were not these so-called civilian generals trained in the militia of their respective countries, and for many years?

[Mr. McMaster.]

Mr. McMASTER: I know nothing at all about General Monash, but I am aware that General Currie was a volunteer soldier of distinction.

Mr. STEVENS: Certainly, and he had received a training such as we are trying to make provision for now.

Mr. GRIESBACH: So was Monash.

Mr. McMASTER: Oh, I am surprised that any militarist dares to face his fellow-beings. You have called for preparation; you have said: "Give us money and we will ensure you against war." Hon. members opposite smile; they think it is amusing. Well, is it amusing when a man feels these things in his heart and wishes in all sincerity to speak forth his inmost thoughts? You claimed that it was necessary to have preparation; you said that it would ensure the safety of the world if you only had a few armies and a few navies. And what has been the result? The result has been that a generation of young men in Europe has been wiped out. I heard the other day that a generation of young men in France who came to the age of about twenty in 1914 has practically been wiped out, and very much the same thing—

Mr. GRIESBACH: By what method might the French nation have avoided the war which fell upon them?

Mr. McMASTER: I have on a previous occasion said most emphatically that when one great nation set the pace it is very difficult indeed for other nations not to keep step. But I have also said this, and I repeat it : If one-tenth of the energy, the money and the thought that were devoted to arming one part of Europe against another had been devoted instead to bringing the different parts of Europe together, the war would not have come on.

Mr. EDWARDS: Why did you not tell them that before the war?

Mr. McMASTER: Just as in this House sneers and jibes are thrown at those who believe that there is a possibility of bringing mankind together, then as now there were those who sneered at efforts made to bring mankind together. There were great interests whose business it was to keep the various nations on the verge of war in order that they might sell to them the instruments of destruction. There were English shareholders in Krupp's; there were German shareholders in the Armstrong-Whitworth firm and other concerns of that sort. There was an international trust for the purpose

of arming the different nations one against the other. Before the war the great nation of Germany had apparently made up its mind that its destiny was to be either world-empire or downfall. They threw down the gauge of battle and it was not world-empire for them, thank God; it was downfall. But that frame of mind has received a check. That enemy is in the dust. Leaders in all the civilized nations of the world—not all leaders, I am sorry to say, but a great number of them—are endeavouring to form a League of Nations. It is quite true that my hon. friend (Mr. Cockshutt) thought the League of Nations was a silly sort of thing. But after all it is a question of either a League of Nations or another war, unless nations are prepared to combine in order to develop some other reasonable and efficacious mode of settling international disputes. I am quite willing to admit that the present League requires serious change and serious modification. But there is one ideal laid before humanity—to try to organize a new world on a better basis. Then there is the other idea, the idea to get back to the pre-war scale of military expenditure.

Last winter I had the honour of being at a dinner given for the young men of the church I go to who had been through the war. Some one hundred and thirty of them went out of the congregation, and some sixteen will never come back. But for those who came back we gave a complimentary dinner, and what struck me more than anything else, Mr. Chairman, was that these returned soldiers were just boys. In the world it has been the statesmen, the diplomats, the large business interests, the mature men, who have been responsible for the policies leading to war, but it has been the boys of the different nations that have fought and won the wars—or lost them, as the case may be. Surely it is time for Canada to set the pace toward a more reasonable condition of world organization. Surely we can try it. We are particularly favoured in this country; we are in such a position that we can without danger to ourselves make the experiment. The idea of a quarrel between our neighbours to the south and ourselves is simply unthinkable; no one with any responsibility would contemplate such a condition for a moment. That being the case, why not set the pace towards disarmament?

I ask you this, Mr. Chairman: Is it a wise thing to bring up the youth of this land to be soldiers? I am willing to say that drill may be beneficial to physical development. I am even prepared to go further and to say that a reasonable amount of drill has certain educational value. I am willing to have the youth of the country drill, but for the present at least, until we see whether or not this League of Nations is going to be a success, let us not develop the military side of the young man's mind; let us rather teach him co-operation for other purposes. When the distinguished soldiers who are in this House led their men on the battlefields of Europe I think they found that the Canadian, who, perhaps, had never had a uniform on before he enlisted, was man for man superior to his foe in actual conflict. When they came to hand-in-hand engagement, which, I understand, happens very seldom—they certainly were man for man the equal if not superior to the enemy.

Mr. BURNHAM: Why?

Mr. McMASTER: Because, for one reason, they had grown up in a country where universal military service was not enforced; because of the initiative and strength of character which is found in those who dwell in a country where the free development of individual character is encouraged; because of characteristics found in those who are not brought up in the atmosphere of a conscript nation. That is one reason, and that is one reason why if we wish to train the youth of this country in physical culture we may, for the time at least, divorce that idea from the military viewpoint. I have no objection to the country spending a reasonable amount—but let it be as reasonable as possible— in training the youth along the lines of the co-operation of mental and physical development—and when I say "youth" I mean the girls, too; the girls should have their summer camps as well as the boys. But, in the name of common sense and viewing the fact that the militarists have so entirely failed to do what they said they would do for their respective nations when they were bleeding them white by taxation, let us endeavour to conduct these camps, for the time being at least, without the military atmosphere.

Mr. STEVENS: I had not intended to delay the House in connection with these items; but I confess to you, Sir, that sitting in my place and trying to fulfil my duties by being present in this House, I get somewhat wearied with the pharisaical lectures that we are constantly treated to by the hon. member for Brome (Mr. McMaster). A moment ago my hon. friend, in violation of the rules of the House addressing us directly, Sir, and ignoring the Chair, used the sweeping term "you militarists." I protest against

this; but I wish to draw the attention of the committee briefly to one of the preposterous arguments that he presented. He cited certain generals who had achieved a very high record at the front and he pointed to two who, he said, were civilians. Let me refer to the Canadian one with whom we are all acquainted. Sir Arthur Currie, during the early part of his life, in fact, right down to the breaking out of the war, had interested himself in military affairs under conditions exactly the same as those for which we are trying to make some provision at this time. Because of that training, because of that education, if you like, that he achieved, Sir Arthur Currie was fitted for the task which fell upon his shoulders later on. I can call to mind dozens of officers who when they went overseas, found that they were peculiarly fitted for the service that was laid upon their shoulders, but in every case they were men trained under the modified military training in our militia service. There is nothing militaristic about that; Canada has never had anything approaching a militaristic programme or system. My hon. friend says that we want to go back to pre-war days and enter into this militaristic programme. We did not have a militaristic programme in Canada in pre-war days. We certainly had not in the years 1911 to 1914, and my hon. friend will surely not charge his own friends with carrying out a militaristic programme from 1896 to 1911. Any man with any common sense knows perfectly well that the militia expenditure of this country has been exceedingly modest from Confederation down.

My hon. friend says that it is quite desirable that some drill should be given; that it may have a good physical effect, and he is prepared to admit that it has an educative effect. But he turns on us as soon as we propose just a moderate sum to provide for drill, and he charges us with trying to enforce militarism. Then he loads the whole responsibility of the commencement of this war upon those of us who have in mind a militia system in Canada.

Mr. McMASTER: May I rise to object to that interpretation of my remarks? I loaded the responsibility on the diplomatists, the militarists and the large business interests.

Mr. STEVENS: My hon. friend included almost everybody except himself. He referred to us who were supporting the minister and to the minister's proposals. He likened the minister to the European militarists; he classed the minister and them in the same group, and then, of course, he went on to suggest that it was the militarists of Europe who brought on the war. But he failed to acknowledge this, that had poor France, faced with this huge military autocracy of Germany, not had a very severe system of conscriptive military service, she would not have been able to keep the Germans out of Paris for a week after the declaration of war. Under a militia system such as we have in this country, France would have been an easy simple victim to the military spirit and aggresion of Germany. We are not responsible for Germany, Russia, Austria, nor any of those other countries, but we are responsible for Canada.

My hon. friend says: Let us wait until we see whether the League of Nations is going to be a success. He made no argument; he gave no reasons; he simply offered some sweeping generalities. Supposing the League of Nations is not a success, we must, arguing from what he suggests, have a military force, because that was the suggestion in his remarks although it was not definitely stated. That is not the question at all. If the League of Nations is a success, each member of that League is going to be called upon to contribute at least something towards maintaining the dignity, power and control of that League. That provision is contained in the Treaties which have been laid before the various countries for ratification, and, therefore, we must have some moderate form of military power. All that we are asking for in these Estimates is that provision shall be made for—what shall I call it? It appeals to me as a skeleton army where some of our men may give a great deal of their time willingly and without pay and may be brought together year after year for training.

The particular item under discussion is cadet corps. I know of no better discipline, education and training for young boys of from twelve to fourteen or fifteen years of age than the cadet system of Canada. Not only is it physically sound and good, but there is this value to it. Young boys of that age, growing up from small boyhood and beginning to realize that they are budding into manhood, are mentally in a state where they easily drift and go astray. Every man who has had anything to do with boys or who has not forgotten his boyhood knows that. There is nothing better for a boy than to be held, not under forced restraint, but under restraint to which he willingly submits, and the cadet system supplies in

a most admirable manner this training and education.

But in the closing remarks of my hon. friend, who, I notice, has now left his seat, he made a most extraordinary argument. His argument in favour of no military training at all was that men from a country in which there is no military training at all have stronger combative forces.

Mr. LALOR: More initiative.

Mr. STEVENS:—and more initiative than those who are trained in a country where military discipline obtains. That is the very thing he was denouncing a moment before. He was denouncing the pugnacious spirit, the combative spirit; yet he would not have training because in that way the combative spirit develops. Why, in the name of common sense, should we be asked to put up, not only with my hon. friend's lectures, but with such piffling argument as that?

What I desire to say in rising in support of this item is, not that we should embark upon any great programme of militarism, but that we should retain in Canada a reasonable, skeleton military force under the voluntary militia system; that we should not engage in nor embark upon wide expenditures in that line, but that reasonably generous support should be given to those citizens who devote after all to the militia about 75 per cent of their time, free of all charge to the country. Surely the country can at least pay the actual out-of-pocket expenses these men incur in connection with military training, and that is virtually all that we are being asked to do in this Estimate. I grant that there may be some points upon which hon. gentlemen opposite may reasonably differ from us, and these are fair matters for debate, but I resent the sweeping charge of my hon. friend that simply because we stand behind these Estimates we belong to that obnoxious class known as European militarists.

Sir SAM HUGHES: The address of the hon. member for Brome reminded me of the sloppy stuff the Rev. Dr. Starr Jordan and the Rev. J. A. Macdonald used to dish up to the country before the war. It was "Peace at any price" in those days. We have since learned that one-half of the salary of the Rev. Mr. Macdonald, Editor of the Toronto Globe, was paid by a peace organization of the United States of America, and the records of war investigations show that this peace money was supplied largely by Germany. We had the Dominion of Canada and the United States swamped with orators delivering the same sort of sloppy stuff that we have had put up to us to-day by the hon. member for Brome. "Peace at any price" the Germans were preaching in Canada and the United States while they themselves were preparing for war at home. I have not been in many scraps myself, but I am a firm believer in the doctrine which I am sure the hon. member for Cape Breton (Mr. McKenzie) endorses, always to be ready for an emergency. I am satisfied that his good strong Scotch muscles and his knowledge of how to use his "Dixies" has saved him a good bit of trouble in his younger days. "Be ready, aye, ready" is a good motto. The hon member for Brome dwelt on the great cost. I am satisfied that our debt would be less than half what it is to-day if we had spent one-tenth part of it in preparedness before the war. If Great Britain and France had been ready there would have been no war. If Germany had ever dreamt that Great Britain would come into the war, it is admitted by all German writers and their leading generals, she would never have gone into the war, because they knew that if Great Britain came in, there could be only one end. Let us then, as a self-respecting people, be ready.

I am sorry that there are not more present this afternoon of those splendid young French-Canadian members of Parliament, because I want to pay them a compliment. Every man of them is a splendid example of what training in a cadet corps will do for a man. Where could you find a finer looking lot of men than my young French-Canadian friends on the other side of the House? They all represent the highest type of manhood of Canada, and they are the superior lot we know them to be because they got their training in cadet corps in the various schools of their province. Why, 40,000 boys who had been trained in cadet corps marched away from the city of Vancouver to the front and won honour and glory over and over again in every engagement in which they took part. We find the same throughout the length and breadth of this land. Young blood mixed with the old fellows always makes the finest fighting machine you can get. My own theory—I do not want to toot my views unnecessarily—is that cadet corps training should be carried on from ten to sixteen years of age, and then the young lads would know more than our militia men know at twenty-five, and the militia training should be

limited to sharp shooting and specializing in machine gun practice and work of that kind. My hon. friend from Brome may be surprised to know that the girls in the schools of our province are trained in calisthenics and physical exercises and military drill just the same as the boys in the public schools, as is well known to the great majority of the members of this House. I regret exceedingly to find my good friend the member for Brome delivering the same sort of stuff that was handed out to the people of Canada before the war by the Rev. Dr. Starr Jordan and the Rev. J. A. Macdonald.

Mr. McGIBBON (Muskoka): It was not my intention to say anything in this debate, but I resent some of the remarks that have been made on the other side of the House. I do not think it is fair to represent members on this side of the House as militarists, and it is not fair or true to say that we have not learned the lessons of this war. For two days now we have been listening to a repetition, almost word for word, of the speeches that were delivered in this House on military matters in the years previous to 1914, and if there is one class of speech that hon. members on the other side of the House ought to be willing to forget, surely it is that class. History has shown that hon. gentlemen opposite were totally incapable of appreciating the significance of the events of their time. There is not a man living to-day with a son of public school age who would not disown his boy if after the experience of the last five years he put the same construction on these matters as hon. gentlemen opposite do to-day. They tell us we have not learned the lessons of the war. Certainly we are not going to sit at their feet to learn the lessons of the last four or five years, and when they tell us here this afternoon that we are incapable of learning from the experience of the last four or five years, I say they are talking about things of which they are incapable of giving an opinion of any value. Who in Canada to-day believes that if England had been prepared for the war in 1914, as she should have been prepared, the war would ever have taken place? It is the opinion of a great many leading military men in England and in France that even if England in the days just before the war had taken a more decided step and answered in the affirmative the telegram sent by the President of France to King George, the great war would have never been started. It is absurd to say in the face of a modest sum like this that we are starting this country on a military career. The leader of the Opposition yesterday objected very strenuously and worked himself up into a pitch of passion against these military Estimates, and in those Estimates he included the money we are granting for pensions to widows and orphans.

Mr. MACKENZIE KING: I took no exception whatever to such expenditures. My objection was taken exclusively to the items that appear in these Militia and Defence Estimates.

Mr. McGIBBON (Muskoka): I submit that he included them in the total which he quoted to the House, and included also the sums to be voted for the Department of Soldiers' Civil Re-establishment.

Mr. MACKENZIE KING: I took no exception to those items.

Mr. McGIBBON (Muskoka): He says now that he took no exception to them. I say that he figured up a total of $50,000,000 or $60,000,000. I want to tell him that this country is prepared to go even further in the matter of pensions for widows and orphans and for the disabled soldiers. He also objected very strenuously to certain sums provided in these Estimates for training, and said "We have an army of trained men." Yes, we have, and that army saved the honour of Canada in the last five years. And it ill becomes any member in this House to stand up and berate them for the paltry sum of money that is put into these Estimates for carrying on the work of the department. Hon. gentlemen tell us that we have an army of trained men and we do not need any more training. I ask the leader of the Opposition this question: Does he think that the work of these men is never done? I say, Mr. Chairman, that their work is completed so far as this generation is concerned, and it lies with this House and this country to make provision for training others in case of necessity. It is all very well to talk about cutting down Estimates, but I notice that when there was trouble in Winnipeg a year ago it was the soldiers to whom this Government and the country turned. So soon as the hour of danger is passed, however, then there is nothing but a strong advocacy of retrenchment, and a decrying of everything that appertains to the training of our youth. Hon. gentlemen decry the proposal to give these boys even a couple of weeks training in the

summertime; and they are opposed to putting up decent barracks for the men to live in and giving to the officers the necessary money which they have to spend in order to keep up their regiments. They want to give only a portion of that money. I would ask the House to get down to actual facts. Is there a man here who is willing to go out and do the work that these men are doing for the same money? If there is then let him undertake the task. I say it is not becoming to any member of this House to sit here and ask the men who saved the country in the last five years, while others were staying at home, to be prepared to save it again in the future. It ill behooves any member to say that we should make no provision for the training of new men but should let those who have carried the burden for the last five years carry it in the future. That, Mr. Chairman, is not the spirit that should quicken hon. members. To my mind, the House should approach this question with different feelings. I, as much as any one else, would deprecate the establishment of a military party in Canada; but the man, the party, or the country that does not to-day make at least some provision for self-defence has not, in my humble opinion, learned the lessons from the experience of the last four or five years.

Mr. NICHOLSON (East Algoma): Mr. Chairman, I desire to detain the House just a moment. First of all, I should like to say a word with regard to what was said by the hon. member for Cape Breton North and Victoria (Mr. McKenzie) concerning the advantages of cadet training, and the inference, from his remarks, that the trained cadets in this country did not show up as well in the late war as those who were not trained. I want to refer to one school I know something of where the boys were trained as cadets. Of those boys that had training, one hundred per cent of the physically fit enlisted for overseas service and made up a portion of that 44,000 to whom the Minister of Militia has referred; and a very large number of them, I regret to say, will not come back. On the side of advantage generally which the cadet training has, I would say without hesitation that there is nothing that is better for any boy's physical development and future manhood than such training. There is nothing that so much tends to make a true man of a boy as the training he gets as a cadet when going to school; and if this country could aim at having every boy trained as a cadet it would go a long way towards developing the right type of Canadian man. There is no question that the Canadian soldier, whether trained or untrained, was a good soldier; but to infer that the man who had training was less of a soldier than the man who had not, is to fly in the very face of what every one knows to be an absolute fact. Turning to what has been said by my hon. friend from Brome (Mr. McMaster) and what was repeated this afternoon and yesterday so frequently in regard to the whole question of the militia of Canada, the charge has been hurled across the House that those members supporting the Minister of Militia are militarists. It has been suggested that we are following in the footsteps of the German junkers, and all that sort of thing, and that we have failed to appreciate the fact that as a result of militarism 60,000 of the best of Canada's sons are sleeping in France. Well, Sir, I resent that imputation. We do not fail, nor have we ever failed, to appreciate the fact that 60,000 of Canada's sons are now at rest in France. We fully realize the fact; and if Canada and England had not listened to the snivelling pacificists in the days before the war, there would have been fewer Canadian sons sleeping in France to-day than there actually are. It was the very fact that the counsel of such men as the late Lord Roberts was wholly ignored, and the fact that the British Empire was in a state of unpreparedness, that brought on that awful international condition that ultimately resulted in universal disaster. Had the British Empire, at the outbreak of the war, had one-eighth of the trained men which it was finally necessary that she should place on the field, they would have ended the war in less than one year, the national debt about which we hear so much would have been very much smaller than it is, and many of the boys who ultimately gave their lives for our sake would have been spared to us. Just one word further, Mr. Chairman. It has been said that Canada is a law-abiding country and that there is no possibility of war with our neighbours to the south. Well, it is true that Canada is a law-abiding country, and it is equally true that we are living beside a nation that is law-abiding. But if we are going to carry our law-abiding precepts to the point suggested by hon. gentlemen opposite, why do we not propose that every town and city and village in Canada should disband its police force? The people in the city of Ottawa are law-abiding. Nevertheless, we see many uniformed men patrolling the streets

all the time. The people in the United States are also law-abiding; yet there is a national guard in every State of the Union. Why is that? The reason is simple. There is in every country under the sun a certain element that would break the law, and it is the duty of the State to see to it that law-abiding people are protected; and they can be protected only by having some sort of organized force for the purpose. Will hon. gentlemen opposite seriously contend that by passing these Estimates we shall develop militarism in this country? If they do they insult the intelligence not only of this House but of the people of the country, and they are implying something which gentlemen on this side of the House have every right to resent. Personally I strongly resent the implication that because we are supporting the Minister of Militia in regard to these Estimates we advocate militarism, develop German junkerism and—the greatest insult of all—fail to appreciate the great sacrifice made by our boys in the late war. A more contemptible suggestion could not be offered to dozens of men who are sitting in this House, and for my own part I repeat again that I resent the insult with all the force which I can put into my words and with all the feeling I have in my being.

Mr. EDWARDS: I am anxious to disabuse the mind of hon. members on one point in particular which I think affects me. The charge has been made by the hon. member for Brome that we on this side are militarists, that we are of the war framed mind. In this connection I want to remove any possible doubt in the minds of hon. gentlemen so far as I am concerned, and to assure them, through you, Mr. Chairman, that I am not a militarist, that I am not in a war frame of mind but that I am a very peaceable and peace loving kind of individual. The doctrine propounded by the leader of the Opposition is one that is very comforting to me. The hon. gentleman pressed the point that there was no need for any militia expenditure now for some time to come because we had in this country men who had had war experience, whose training on the battlefield fitted them far better than we could hope to fit the men by having camps or voting money for military purposes and training men. That is very true. This was a very comforting doctrine to me because in the four or five years that the war lasted I was here in safety at home and so was the leader of the Opposition (Mr. Mackenzie King). True, I was not fortunate enough to have a big oil job, but I was here in safety as was also the hon. member for Brome (Mr. McMaster). It is exceedingly comforting to me, who remained at home in safety, and it must be to the leader of the Opposition, to know that the men who have been fighting for me for the last four or five years are still in this country and that we can rely upon them to do our fighting in the future. The leader of the Opposition says: "What is the use of training new men when we have a lot of men in this country who have had experience along this line and know what they are talking about? Those men risked their lives for four or five years and they may risk them again if the occasion requires. Let those fellows who have risked their lives for four or five years carry on in case of trouble and we who have had good safe jobs at remunerative salaries will hold down our soft jobs and let those fellows do the fighting for us. Let the hon. member for Muskoka (Mr. McGibbon), the hon. member for Fort William (Mr. Manion) and other gentlemen who have fought in the late war, do our fighting. We are not militarists, we are a peace loving people, we are content to fold our arms and let the hon. member for Skeena (Mr. Peck) win another Victoria Cross if necessary. We will win our crosses by handling measures of oil or something of that kind." Then we had a wonderful doctrine propounded by the hon. member for Brome (Mr. McMaster). I have listened to a great many speeches made by the hon. member for Brome, and when I listen to him I am reminded of the words of Shakespeare:

> Now, in the names of all the gods at once,
> Upon what meat does this our Caesar feed,
> That he is grown so great.

It matters not what the subject is, you will always get a philosophical discourse from the hon. member for Brome. But the unfortunate part of it is that France, England and—yes—Germany, did not hear of the hon. member for Brome seven or eight years ago because if he had told them the many things that he has been kind enough to tell this House they surely would not have flown at each other's throats in the face of such wonderful, such supernatural, wisdom. He has told us that we have had a war. It must be so—the hon. member for Brome says so. He has told us that 50,000 or 60,000 men are sleeping under the sod in France and Flanders. He told us that we did not appreciate the lessons of the war on this side of the House. I could reply, if I wanted to be personal, that some hon. gentlemen sitting on this side

of the House and some on the other side had brought home to them very closely the lessons of the war. But I am somewhat doubtful of the wisdom of this House listening to the advice that is given by some hon. gentlemen sitting on the other side. I recall certain discussions which took place in the sessions of 1912, 1913 and —yes, 1914, when my right hon. friend the Prime Minister asked for a vote of money to buy three battleships, the best that money could buy or that man could make. He was laughed to scorn, he was hooted at and jeered at by hon. gentlemen on the other side. The idea of an emergency was laughed at. I can call to mind some expressions that were made use of as late as June 19, 1914, by certain hon. gentlemen opposite. I recall a remark made by the hon. member for Gaspé (Mr. Lemieux) and that other constituency which has a name that cannot be pronounced by me. He still hangs on to both of them and I am glad he does because I can pronounce Gaspé but I cannot pronounce the other. On June 9, 1914, less than two months before the date when these armies were at one another's throats, the hon. member said that the policy of purchasing these two dreadnoughts:

—made Canada the laughing stock of Great Britain and of all the other overseas Dominions. Who thinks of this emergency to-day? I dare say that not one of his blatant jingoes of the city of Toronto believes in that emergency to-day. It was a scare line policy to recoup the jingo capitalists of Winnipeg, Toronto and Montreal.

These were the words of wisdom which flowed from the lips of that hon. gentleman less than two months before the armies of Europe were at one another's throats. The hon. member for Red Deer, (Mr. M. Clark) another great philosopher who has conferred an everlasting benediction on Canada by leaving the Old Country and coming here to live, on June 4, 1914, made use of words, these wonderful words:

I have a right to congratulate those of us who from the beginning of these debates over five years ago pleaded that we should not be carried away by what is commonly called jingoism to the exaggeration of emergencies or to the imagination of emergencies as being justified by the events of to-day. I think the country should be congratulated that the emergency is over.

Less than two months before the war was on these were the words of wisdom of self congratulation with which the hon. member for Red Deer uttered. These were the wonderful words of wisdom which fell from him as to there being no emergency. The Prime Minister, as events proved, seemed to have a wonderful insight into the future. He asked this House to vote a certain sum of money which would have placed Canada in the same position as that in which New Zealand was when the war took place.

The CHAIRMAN (Mr. Steele): Order. I will have to ask the hon. gentleman to adhere to the item under discussion which relates to the cadet service.

An hon. MEMBER: Let him go on.

Mr. EDWARDS: Thanks very much to you, Mr. Chairman, and thanks also to hon. members opposite for their generous suggestion that I should continue. I think, Mr. Chairman, you are absolutely right in your ruling. However, I was just about through with that line of argument when you very properly brought me to task. At the same time I was about to remark that the need for preparation was shown by the report made by high officials in the British Admiralty that if they had had three more ships at the great fight off Jutland the German navy would have been wiped off the seas entirely, which would have resulted in immensely shortening the war and in saving thousands and thousands of lives. Now, Sir, I wish to say in view of the many suggestions offered in this House by hon. gentlemen opposite in regard to that emergency, all of which suggestions time has proved to be false, or to be wrong, we should be very careful in future before we accept advice coming from such doubtful sources. That is how I feel with respect to advice which is offered by hon. gentlemen opposite, and especially by the hon. member for Brome (Mr. McMaster).

In regard to this cadet service I want to say that while I believe there may be some very strong differences of opinion in regard to holding the annual militia drill in this country at the present time, I just as sincerely believe that you have the majority of public opinion behind the cadet service; that from one end of this country to the other people are behind that particular service. At any rate that is my experience. I have heard different expressions of opinion with respect to the annual drill but, speaking in all sincerity, I do not think I am exaggerating when I say that of the expressions I have heard in regard to the cadet service nine-tenths have been in favour of it, which I regard as a magnificent idea. I think that the discipline which these boys obtain through this short service is a splendid thing for them; and speaking personally I would like to have seen this item very much increased, or enlarged, even if the money had to be taken

from some other item. I repeat, I believe this service is a splendid thing, that it is entitled to the support of members of this House generally, and that it has the support of the great body of public opinion throughout the country.

Mr. GUTHRIE: There does not appear to be much objection to the item although the discussion has wandered very far afield, and perhaps now we can agree on it and get on to something else.

Item agreed to.

Contingencies—$50,000.

Mr. MACKENZIE KING: We shall have to take some exception to this item so that it had better stand.

At Six o'clock the committee took recess.

## After Recess.

The committee resumed at Eight o'clock.

Militia and Defence—contingencies, $50,000.

Mr. FIELDING: How does the amount of this item compare with the similar item in pre-war years?

Mr. GUTHRIE: Last year the amount voted was $25,000; in 1918-19 it was $5,337. The normal amount used for the purpose in pre-war years was $50,000. It covers all such items as telephone messages, telegrams, legal expenses, allowances to officiating clergymen at permanent force stations, medals, guards of honour, escorts, salutes, State and military funerals, and all unforeseen expenses not provided for elsewhere.

Mr. FIELDING: If we could get along last year with $25,000 what is our difficulty in getting along with the amount this year?

Mr. GUTHRIE: Last year a good many of these expenditures were probably charged to demobilization. A great many of them were directly connected with the war, or were so treated during the war period. So with all classes of militia expenditure. Wherever barracks were used for Canadian Expeditionary troops, all repairs and things of that kind were charged to War Appropriation, not to the annual Militia vote. This vote is to cover all unforseen miscellaneous expenditure.

Mr. FIELDING: Could the hon. gentleman give a rough subdivision of these items?

Mr. GUTHRIE: No, I have no subdivision of them. The amount is lumped in the way I have given it. I think that is about as nearly as we can estimate it. It is irregular, unforeseen expenditure; it is in its nature contingent.



Mr. FIELDING: When I said "subdivision" I meant "classification." For instance, it might be interesting to know how much we invested in allowances to officiating clergymen during a given year. Then there are the items: "legal expenses," "guards of honour", "escorts", "salutes"; could my hon. friend tell us roughly what sum will be required for each of these branches of the service? With regard to the item of "legal expenses", for example, there is the fact to be considered that we have our Department of Justice; that each branch of the Government has its legal advisor. I take it for granted that there must be some good reason for this part of the item, but one is naturally curious to know what legal expenses are contemplated.

Mr. GUTHRIE: Legal expenses are incurred at times by various departments at outside points. During my brief experience in this department I have on several occasions had to employ counsel in various parts of Canada to represent the Department of Militia. We can very often get a local man for $5 or $10, whereas the cost of sending a man from Ottawa would be very much greater. Hardly a day passes without there being some legal questions to settle in some part of Canada in connection with which we employ some local legal practitioner. As to the officiating clergymen at permanent force stations, there are Protestant and Roman Catholic clergymen in attendance and the basis upon which they are paid is at the rate of fifty cents per man per year.

Mr. FIELDING: I do not question the propriety of paying clergymen; the department needs the benefit of their services, and I would not like to deprive them of that benefit.

Mr. MACKENZIE KING: During the afternoon some hon. members opposite seemed to express the view that we of the Opposition were not wholly in sympathy with even legitimate expenditure for the militia at this time. I think it is only proper to point out that the criticism that we have made of the Militia Estimates relates to the amounts that are brought in at this particular time. Our criticism has not been directed against the making of reasonable expenditures for proper militia purposes; it has been wholly against the expenditures of large sums of money on

this account while we have appropriations in the Estimates for the purposes of demobilization also. When the work of demobilization is completed, we may well consider grounds for incurring further expenditures, meanwhile expenditures certainly should not be charged to demobilization where appropriations are voted for specific purposes. As every one knows, the reasons that have existed in the past for apprehending danger from a military point of view do not now exist; there is not the same need for alarm in the matter of our defence at home. We on this side offer no opposition to legitimate expenditures for the needs of the country, but where it is evident that the expenditures are extravagant we feel justified in asking the Government, at a time when they are putting extra taxes on the people to cut down such expenditures. Now, this is an item of $50,000 to cover miscellaneous and unforeseen expenses, allowances to officiating clergymen at permanent force stations, legal expenses, guards of honour, escorts, salutes, and so on. There is nothing in that whole programme that is vital; the country would not suffer one iota if for a year we abolished salutes altogether or got rid of some of the escorts, and extras of that kind in respect of which we can well afford to economize. These things constitute the fuss and feathers and the display which are more or less unessential. The amount asked is $25,000 in excess of what was asked last year. Unless the minister can show more conclusively the necessity for increasing the amount to $50,000, I will move that the amount of the Estimate be reduced from $50,000 to $25,000—an amount quite sufficient for the miscellaneous purposes cited here.

Mr. GUTHRIE: I am sorry that I cannot give the details my hon. friend (Mr. Fielding) requested, but I can give some information with regard to the various matters. Of course this is only an estimate; if we do not have the money we have no way of paying for the service. Legal expenses which crop up are all in the nature of unforeseen expenses. I do not know when they may come up. It may be that for a year there will be no legal expenses, though that is unlikely. As the committee is well aware, guards of honour are furnished to His Excellency the Governor General and to the Lieutenant Governors of the various provinces of Canada. A guard of honour costs in the neighbourhood of $100 to $125. An escort is a little more expensive; it costs probably about $200, and it is furnished to the Governor General only. On a military funeral a limit of expense of about $65 or $70 is set. State funerals are very rare, and when they occur, they involve a large amount of money.

Mr. MACKENZIE KING: Does the minister contemplate any State funerals?

Mr. GUTHRIE: We do not know when they will happen. The last one occurred quite recently. It is one of the things that we desire to provide for; it is a contingency, and the money, if not required, is not wasted, it merely remains in the appropriation. It is quite possible that $25,000 might suffice; it is quite likely that $25,000 might not suffice. No waste is involved in this item; all the expenditure must go before the Auditor General. The legal expenditure, as such, must go to the Department of Justice and be certified there before it is paid. Therefore, my hon. friend's amendment does not involve one feature of saving. The appropriation is just as secure in its present form—and it is just an estimate—as it would be if the amendment carried. I do not see any object or reason for my hon. friend's amendment. If he objects to guards of honour or escorts and says that they should be dispensed with, he should say so; but on a contingent item on which one can make only a guess, to say that his guess is nearer than my guess is rather ridiculous. In pre-war times $50,000 was the usual amount appropriated, and it was not always spent. The year immediately preceding the war we spent $51,000; last year the appropriation was $25,000, but I am not sure what was spent. As far as we can estimate, $50,000 is a safe sum to put into the Estimates, and what expenditure takes place will be scrutinized by the Government and the officials of the Government, and the vote will be carefully administered. I do not see what the object of the amendment of the leader of the Opposition really is, unless it be a demonstration of some kind,—there is no principle involved in it. What should be stricken out? What should we dispense with? If the hon. member will express himself and let the committee know what he objects to in the proposal, we shall then know how to deal with the matter.

Mr. MACKENZIE KING: If my hon. friend's reasoning amounts to anything, I do not see why he should not have made the item $100,000 instead of $50,000.

Mr. GUTHRIE: We considered $50,000 would be sufficient.

Mr. MACKENZIE KING: The purpose of an appropriation is to put some restriction on a department in the matter of designated expenditures. I take direct exception to having for this particular year so many guards of honour and salutes and to paying clergymen for officiating at functions of the permanent force as outlined in the details of this Estimate. When we come to a different time it may perhaps be well to have some of these decorations, but decorations I think they are. Last year, His Excellency had such guards of honour as he needed. I do not think the country lacked guards of honour or salutes, and if $25,000 was sufficient for last year, it is enough for this year, and anything over that is just a waste of public funds.

Mr. GRIESBACH: Would the hon. gentleman recommend dispensing with a salute to a foreign warship which sailed into a Canadian port which was garrisoned?

Mr. MACKENZIE KING: I do not hesitate to say that there are appropriate times for salutes, the minister has intimated that in all possibility $25,000 will give the department plenty of funds for salutes and the like.

Mr. SINCLAIR (Guysborough): I notice the actual expenditure last year, according to the Auditor General's Report, was not $25,000, but $17,550.31, a very large part of which, namely, $9,814.85 is charged up against stationery. I would regard that as a very large amount to expend on stationery for the office. But if the statement has been made that last year $25,000 was spent, there must be some error in the statement or else I have not found it correctly in the Auditor General's Report. I am looking at page P-7 of the Auditor General's Report in which the statement for contingencies is detailed. If $17,000 odd was enough for last year, $25,000 should be ample for this year.

Mr. GUTHRIE: I am informed that the stationery item is a correct item. It covers the supply of stationery to all the units of the Canadian Expeditionary Force.

Mr. SINCLAIR (Guysborough): That does not alter the fact that the total amount of contingencies during the past year, the year represented in the Auditor General's Report, was only about $17,000.

Mr. MACKENZIE KING: I would point out to the minister that item 106 relates to printing and stationery, and $70,000 is asked for under that heading.

Mr. GUTHRIE: That is departmental printing and stationery. This was a contingent item; the stationery was supplied to the different units for their use during war time.

Amendment (Mr. Mackenzie King) negatived: yeas, 26; nays, 41.

Item agreed to on division.

Customs dues, $50,000.

Some hon. MEMBERS: Explain.

Mr. GUTHRIE: This covers customs dues which we have on our imports, and it is really a matter of bookkeeping, taking the amount out of the Militia Department and handing it over to the Customs Department. Prior to the war the appropriation for this service was generally from $100,000 to $125,000. But we have now on hand a pretty large stock of clothing and stores, and we shall not have to import many of the supplies which in ordinary years we have to import. It is, therefore, considered that $50,000 will cover the customs dues on the imports that we have to make during the coming year. These are largely in the way of imports for the manufacture of ammunition. This item, during the war, was charged to War Appropriation.

Mr. SINCLAIR (Guysborough): I think I am correct in saying that the department has been employing customs brokers for making entries at the ports where these goods come in. I am surprised to find charges of that kind in the Auditor General's report. We have a War Purchasing Commission, and a purchasing agent, I believe, in the Department of Militia. We have also customs officers. With this galaxy of Government officers I do not think it ought to be necessary to employ the services of customs brokers to make the entries. Will the minister explain why these customs brokers are employed?

Mr. GUTHRIE: All our purchases are made by the War Purchasing Commission; the department merely makes the requisition. I am informed that only at one point is a customs broker employed, and that is at the port of Quebec where the majority of our purchases are entered for the Dominion arsenal there. We have been in the habit of employing a customs broker there who receives the magnificent sum of $1 per entry. It is considered more economical to employ him than to have the work done

by our own officers. If we did it ourselves it would entail the employment probably of an extra clerk. We are simply doing what many business men do; it is looked upon as good business to employ a customs broker at the port where our chief business is done.

Dominion Arsenal, Lindsay, $258,112.

Mr. MACKENZIE KING: How does the minister justify this expenditure at this time?

Mr. GUTHRIE: For a number of years past our reserve supply of ammunition has been based upon a report which was made to the Government of Canada by Lord French after he had made a complete survey of our whole military situation. In his report he recommended that we should maintain a reserve supply of 90,000,000 rounds of small arm ammunition.

Mr. MACKENZIE KING: When was that report made?

Mr. GUTHRIE: In 1910, before the change of Government. We have endeavoured ot maintain that as a reserve, but during the war that standard was not maintained. I do not suppose I am making known any secret that I should not make known when I say that to-day we have on hand between 35,000,000 and 40,000,000 rounds. The annual output has heretofore been estimated at 10,00,000 rounds. This year there is provision in the Estimates for an output of 11,500,000 rounds. If our militia establishment was complete—it is not so, as I explained yesterday—it would utilize from 7,000,000 to 8,000,000 rounds, exclusive of what we supply to Dominion and provincial rifle associations. The annual supply to these associations, which are established by law and by practice in this country, is from 1,500,000 to 2,000,000 rounds. Allowing between 7,000,000 and 8,000,000 rounds for the militia to be used in practice and drill, we would have a surplus each year of about 3,000,000 rounds. That, of course, would be added to our reserve stock, which it is our ultimate aim to bring up to the standard recommended by Lord French, but it will take some time to do it. We thought that if we entered upon a programme this year of 11,500,000 rounds, 5,500,000 to be made at Lindsay and 6,000,000 at Quebec, that was about all we could ask the House to consider at this time. We really should have a larger supply if we are to bring up our reserve within a reasonable time. However, as this year may be a slack year in the expenditure of small arms ammunition, it is possible that our reserve may make a considerable gain. The item for the Lindsay arsenal represents what we believe will be the actual cost of manufacture. We have at Lindsay, Ontario, one of the best-equipped factories I suppose that can be found anywhere for the manufacture of this ammunition. The items which go to make up this cost are as follows: Wages, $153,000—we pay the union wage scale, upon schedules furnished by the Department of Labour—salaries for the officers in connection with the arsenal, $13,000; power and light, $10,000; water, $2,400; steam coal, $18,900; pea coal, $6,500; supplies, $50,312; freight, $3,000; office supplies, telephones, etc., $1,000; total, $258,112.

Mr. BUREAU: Is the power for the Lindsay arsenal supplied by the Hydro-Electric?

Mr. GUTHRIE: Either that or a private company, but I think it is the Hydro.

Mr. BUREAU: How much is paid for power?

Mr. GUTHRIE: If it is the Hydro it will be the ordinary provincial rate. The rate is much higher in Ontario than in that part of the province of Quebec from which my hon. friend comes.

Mr. LEMIEUX: Who is now the director of the Lindsay arsenal? I understand that the late Colonel Lafferty was director. Who replaced him on his death?

Mr. GUTHRIE: Colonel Lafferty was director at Quebec.

Mr. LEMIEUX: Was he not director at Lindsay also?

Mr. GUTHRIE: During the war he was appointed superintendent, for a time, of both arsenals. At present the superintendent at Lindsay is Mr. Walters. I do not know his military rank, or whether he has any. He is spoken of as Professor Walters.

Mr. LEMIEUX: How many men are employed at Lindsay at present?

Mr. GUTHRIE: I have not the exact figures, but I am informed about 230 men.

Mr. LEMIEUX: Is it not a fact that the Quebec arsenal was quite sufficient for our needs, except for a certain period during the war when munitions were urgently needed on the other side? In normal times would not the Quebec arsenal be amply sufficient for the needs of our militia?

Mr. GUTHRIE: As between the two arsenals I think Lindsay would be the better adapted, but there are military reasons for maintaining both arsenals. I believe the construction of the two arsenals was advised by a high military authority, for reasons which are obvious. I believe that either one has the capacity to turn out a sufficient output in peace times. Neither of them is being operated to its capacity at the present time.

Mr. LEMIEUX: How many men are there at the Quebec arsenal?

Mr. GUTHRIE: At the present time nearly 500. All our heavy ammunition and quick-firing ammunition, as well as a large part of our rifle ammunition, is made at Quebec. Lindsay only manufactures at present small arms ammunition; I do not think it has the equipment for making artillery ammunition.

Mr. LEMIEUX: I am informed that the munitions turned out by the Quebec arsenal were highly commended by military authorities during the war. Is that a fact?

Mr. GUTHRIE: I understand that our ammunition has been very highly commended, both that made at Quebec and that made at Lindsay. I doubt if any better ammunition is turned out anywhere.

Mr. MORPHY: Are they making at Lindsay a little device known as a steel charge or clip used by the soldier for holding a set of five cartridges for the certain and speedy filling of the magazine of the rifle in action?

Mr. GUTHRIE: If I understand my hon. friend's question, he wants to know whether we are making steel charges.

Mr. MORPHY: At Lindsay.

Mr. GUTHRIE: I understand that we are making them at Lindsay.

Mr. MORPHY: At Quebec also?

Mr. GUTHRIE: Yes.

Mr. MORPHY: What is the price per pound of the steel that is being used?

Mr. GUTHRIE: I have not got these particulars; I would have to communicate with Lindsay.

Mr. MORPHY: I should like to know also what number of these clips are bing made this year.

Mr. GUTHRIE: I understand that the clips are being manufactured at the rate of one to five cartridges, so that if we make five million cartridges we shall make one million clips.

[Mr. Lemieux.]

Mr. MORPHY: Can I get the cost of the manufacturing of these clips?

Mr. GUTHRIE: The information could be obtained, but I would have to communicate with Lindsay.

Mr. MORPHY: My main reason for asking this question is that in the constituency I have the honour to represent a man who manufactured these charges during the war lost something like $50,000 because, as he alleges, the War Purchasing Commission compelled him to use steel at 14 cents a pound although, he further alleges, steel at 7½ cents per pound was being used by other manufacturers. I desire this information in order to see exactly what has been and is being done at Lindsay. I want to know the quality of steel used there, and the price. I might also commend to the minister the circumstances of this case and request him to investigate it. The names and particulars he can obtain, and I should be glad if he would see whether or not there is any way of recompensing this man who claims that he sustained this tremendous loss through no fault of his own but by reason of the arbitrary conduct of the Government inspectors who, he alleges, showed favoritism to other firms. He is firm in the statement that he was not responsible in any way for the loss, which he says was due to a rigid inspection that was discriminatory, and to other unwarrantable conduct on the part of the departmental officials, by reason of which he has been brought to bankruptcy and practically put out of business.

Mr. GUTHRIE: I cannot at the present moment give the particulars my hon. friend desires. My information is that this is the first time the matter has been brought to the attention of the department. It may have been brought before the War Purchasing Commission, but that would not necessarily bring it to the attention of the Militia Department. I can inform my hon. friend that the steel that is being used at Lindsay in the manufacture of these clips is purchased by the War Purchasing Commission itself and handed over to the Lindsay arsenal. I have no doubt I could secure the information by hon friend desires, and if he will write me a letter indicating the details which he would like to get I will undertake to obtain the information.

Mr. MORPHY: The minister can get all the details from the chairman of the War Purchasing Commission. All the facts are

on file, but they say that they have no power to deal with the case at all.

Mr. CRERAR: There is an increase in this item, over the pre-war vote, of almost $500,000. Can the minister give some explanation as to the cause of this increase?

Mr. GUTHRIE: I have no doubt that increase is due to increased cost of material and increased wages. Wages have been raised from time to time in accordance with the prevailing rates, and at present they are fixed by the Department of Labour. There has been a tremendous increase in wages as also in the cost of material, and I am satisfied that the difference in cost between manufacturing now and in pre-war times is attributable entirely to these two factors, labour and material.

Mr. CRERAR: Does the minister think that it is wise to go ahead with the manufacture of this ammunition on a large scale under the present heavy increase in cost? Apparently there is no particular urgency for it in the next few years, and I would suggest that it might be worth while cutting down the output and thereby reducing the expenditure until we get back to normal costs.

Mr. GUTHRIE: I explained this as fully as I could a moment ago—I do not know whether my hon. friend was in the House at the time—and I do not think I can add anything to my statement. We are trying to make up our exhausted reserve. I suppose we might take chances, but I do not think it would be proper to do so. The Government is charged with responsibility in the matter, and I know that if we did not make up that reserve we would be properly blamable.

Mr. CRERAR: I am still not satisfied with the explanation the minister has given.

Mr. GUTHRIE: I cannot give any better.

Mr. CRERAR: I regret that. Nevertheless, every country is in the same position. I venture to say that all countries are exhausted after the war, and I think that the people will look with some apprehension upon this desire to continue our military expenditure in this respect on the basis that we maintained before the war.

Mr. GUTHRIE: It has been stated during the course of the debate, both yesterday and to-day, that all countries are reducing their military expenditures.

Mr. CRERAR: We are increasing ours.

Mr. GUTHRIE: We are increasing it at a less ratio than any other country that took part in the war. Think of the United States, with $645,000,000 this year, including $40,000,000 for Air Service. And there is an increase above ours in Australia,—I do not know about New Zealand, but I can make that statement in regard to Australia. There is an increase in Great Britain. I have no information regarding France, but I understand that she is taking no chances. Our increase is a modest one. Japan is certainly increasing enormously. And as a matter of fact ours is not increased at all having regard to pre-war prices; considering pre-war prices, there is a positive decrease. I have tried to impress this fact on the committee, but I believe that there are people who will object no matter how low the expenditure goes. However low it may be they will want it lower, but we have reached what we regard as a reasonable minimum.

Mr. MORPHY: My information, obtained through the War Purchasing Commission, in connection with the matter of which I spoke a moment ago, is that they have anywhere from twenty to thirty millions of these steel clips on hand. If that is so, there is no justification whatever—assuming that these clips are available to the Militia Department—for manufacturing a million more at Lindsay. The discussion shows me clearly that there is overlapping and lack of co-operation between the War Purchasing Commission and the Militia Department, and I think it is my duty to call the minister's attention to what appears to me to be a serious case of over-production of material, apart altogether from the principle of the increase in manufacturing. I would ask the minister to look into this matter. If he does he will probably find that I am right; and if I am not right I can tell him now that this over-production has been urged as a reason why they did not do the square thing by the gentleman whom they drove into bankruptcy.

Mr. LEMIEUX: My hon. friend stated a moment ago that the arsenal at Lindsay was the result of a visit of Lord French.

Mr. GUTHRIE: No; I said the result of advice which the Government had received in regard to this question of establishing arsenals; I do not know that it was received from Lord French.

Mr. LEMIEUX: My hon. friend stated so positively, a moment ago.

Mr. GUTHRIE: No; we established the reserve of ammunition on his report.

Mr. LEMIEUX: I was in the Government when Lord French came to Canada. That was in 1910. I remember his visit very well. The Government that succeeded was rather inactive, as this arsenal was only started long after the war commenced. At the time, it struck several that it was something else than the report or advice of Lord French which institgated the building of the arsenal at Lindsay. Everybody at that time thought there was some rivalry between the gentleman who was at the head of the Militia Department and some other official, and naturally he thought his own constituency might have the advantage, if it is an advantage, of securing this large arsenal. I am informed—I am not much of a military man myself—that, under normal conditions and in normal times, Canada can well be satisfied with the arsenal at Quebec for all stores that will be required in Eastern or Central Canada. Why should we keep 250 men at Lindsay and 500 at Quebec during peace times? My hon. friend (Mr. Guthrie) will admit with me that it is too much. He should receive some inspiration to-day from his distinguished colleague the hon. member for St. Antoine (Sir Herbert Ames). That hon. gentleman comes here as the authorized representative of the League of Nations. Officially he occupies a seat in the Bureau of the League of Nations, and in day or so he will ask this Parliament to vote quite a large sum of money as being Canada's share of the cost of maintenance of the League of Nations. I, for my part, intend to support the hon. member for St. Antoine in that move, because I believe it is a praiseworthy one. I stand for the League of Nations. But I do not stand for too much militaristic display. Really, my hon. friend does not seem to be in earnest when he asks from this committe sufficient to maintain the war equipment and the war display. Let us stand by the old arsenal at Quebec, which received so much commendation during the war from the Imperial authorities, and let us close the Lindsay arsenal.

Mr. GUTHRIE: The hon. gentleman speaks on the question of the Quebec arsenal and the Lindsay arsenal. Only a few days ago I had a pretty influential delegation from the city of Lindsay.

Mr. LEMIEUX: Oh, you will get delegations.

[Mr. Lemieux.]

Mr. GUTHRIE: They suggested that from the strategic point of view it was the best place for the arsenal.

Mr. BUREAU: They must have done so from the patriotic point of view.

Mr. GUTHRIE: It is remarked that it is at a point farther removed from the frontier, less subject to outside attack, and more modern in equipment, than the arsenal at Quebec. I did not suggest that General French had said anything about the arsenal but I said that my information was that the Imperial authorities had suggested the propriety of having more than a single arsenal. The Minister of Militia at this time, the hon. member for Victoria (Sir Sam Hughes), in his wisdom located that arsenal at the city of Lindsay. I have no doubt it is a very excellent location for such an establishment. But in the meantime my view is that the two establishments can be carried on without any very great loss. I believe we could consolidate them; we could manufacture the whole of this ammunition at Lindsay or at Quebec. But there are military reasons for maintaining two establishments. As soon as we reach a normal surplus probably the output of both these institutions will be materially cut down; but we have not got that reserve on hand yet.

Mr. MACKENZIE KING: Was the arsenal at Lindsay manufacturing small-arms ammunition during 1919-20?

Mr. GUTHRIE: Yes.

Mr. MACKENZIE KING: Out of what vote did the department pay for that service?

Mr. GUTHRIE: We took it out of the War Appropriation and demobilization vote.

Mr. MACKENZIE KING: How does the minister justify these payments for the work at these arsenals out of the demobilization vote?

Mr. GUTHRIE: I suppose it was done when the war was still upon us. The demobilization vote was to take care of war obligations. I suppose in one view the war was over on the 11th November, 1918.

Mr. MACKENZIE KING: It certainly was.

Mr. GUTHRIE: It certainly was not, because our troops entered Germany as an armed force and remained there long after the armistice. I think it was quite reasonable to charge that, as it was charged, to

the War Appropriation. But the time does come when we must consider the war over, and this year I have thought it far more proper to charge this to the militia and let the country see just what the militia is costing. Last year many of these votes were charged to the War Appropriation, this year they are being charged straight to the militia vote.

Mr. MACKENZIE KING: Did the Minister of Militia, at the time, inform the House that these expenditures were to be taken out of the demobilization vote?

Mr. GUTHRIE: I did not, but I am satisfied that if the question had been asked it would have been so answered because no appropriation was made for the manufacture of these munitions last year. The expenditure could not come from anywhere else.

Mr. MACKENZIE KING: These two expenditures, one at Quebec and one at Lindsay, should be taken together. For the arsenal at Lindsay the Government are asking for an appropriation of $258,112, and for the arsenal at Quebec $532,512, both for the same purpose, the manufacturing of small-arms ammunition. That makes a total of $790,000 that the country is being asked to contribute for the manufacture of small-arms ammunition at this time. According to the Government's own statement the total expenditure for this purpose in the year before the war was $300,000.

In other words the Government is asking Parliament to-day to vote $490,000 more for the manufacture of small-arms ammunition than was asked from Parliament in the year preceding the war. That, Mr. Chairman, is an increase of expenditure that, to my mind, is not only unjustifiable but outrageous, and if the ministry will not listen to the suggestions that have been made we shall be obliged by a vote to record our opinion in favour of cutting that expenditure down. I therefore would move that this item be reduced by $150,000, and when we come to the vote for the Quebec arsenal I shall suggest a reduction in that expenditure of $250,000, thus endeavouring to save the country $400,000 on the manufacture of small-arms munition this year I think that if we asked to decrease this expenditure by even half a million that would not be demanding too much in the way of reduction. When the minister speaks of a report by Lord French on the necessity of keeping a reserve of ammunition, he knows very well that Lord French was one of those British officers who believed in the near approach of war and an impending menace, and that he was naturally anxious that the different countries of the Empire should have a substantial reserve of small-arms ammunition. But if Lord French came to this country to-day he would not make a report of that kind, as the minister well knows. The necessity for a reserve to-day and the necessity for a reserve before the war are two entirely different things. Besides, there is plenty of time to make good this reserve. The minister, I venture to say, does not contemplate any emergency requiring the use of small-arms ammunition within the next few years, and there must be a great quantity of this ammunition somewhere about at the present time as the result of supplies that were accumulated during the war. I therefore move that this item be reduced by $150,000.

Mr. GUTHRIE: My hon. friend points to the amount that was spent before the war and the amount that is spent now. I think that the estimate before the war was over ten million rounds, and the cost of it now is just about double what it was. I have given the reasons—the cost of material and the cost of labour have doubled. I do not share my hon. friend's views as to whether we should have a reserve or not. My own view, and that of the Government, is that we should maintain the reserve. I do not know where my hon. friend gets his knowledge of what Lord French would do if he were here to-day. I know what he did when he was here and what report he made, and he came here at the instance of the Government of which my hon. friend was a member. I fancy that if he came here to-day he would be just as sane in his view, and would recommend a substantial reserve notwithstanding the increased cost. I have just as much right to assume that, as my hon. friend has to make the rather foolish assumption he made.

Some hon. MEMBERS: Oh, oh.

Some hon. MEMBERS: Order.

Mr. GUTHRIE: What is the matter with my hon. friends opposite?

Mr. BUREAU: If we are to take into consideration all the circumstances I do not see that the Minister of Militia has any right to characterize the assertion of my leader, or the assumption which he made, as "foolish." I think it is foolish to double in time of peace the expenditure incurred in time of war, and it is still more foolish to assume that even an expert in military matters would do things that do not appeal at all to the common sense of ordinary per-

sons. We are not engaged in battle at the present time; this is a time of peace; we are considering these matters in Parliament; and I think our common sense view of things is just as sane as is any recommendation that Lord French might make under the existing circumstances.

Amendment of Mr. King negatived: Yeas 39, nays 49.

9 p.m.

Mr. BUREAU: I was paired with the hon. member for Lanard (Mr. Stewart). Had I voted I would have voted for the amendment.

Mr. TURGEON: I was paired with the Minister of Trade and Commerce (Sir George Foster). Had I voted I would have voted for the amendment.

Mr. McKENZIE: I was paired with the hon. member for Annapolis (Mr. Davidson). Had I voted I would have voted for the amendment.

Mr. BLAKE: I was paired with the hon. member for Dorchester (Mr. Cannon). Had I voted I would have voted against the amendment.

Mr. GUTHRIE: It is not customary to announce the pairs where no vote is recorded, because the names of those who vote do not appear.

Mr. FIELDING: I am paired for the remainder of the session with the right hon. the Prime Minister, and I would like to have that understood.

Mr. CAHILL: I wish to ask the minister if it is the intention of the Government to continue the manufacture of this ammunition in the future on the same, or practically the same basis as at the present time? Is that the policy of the Government?

Mr. GUTHRIE: Yes. For the time being, so far as I can see, that will be the policy of the Government, at all events until we reach the necessary reserve supply.

Mr. CAHILL: What is the necessary reserve supply?

Mr. GUTHRIE: In small-arms ammunition, ninety million rounds is the reserve. We now have on hand between thirty-five and forty million. We expect to manufacture this year eleven and a half million rounds and to put from two to three millions to reserve, perhaps more. We will have at least that quantity, I think, after supplying the demands of provincial rifle associations and after supplying our troops for practice purposes,—that is, those troops that train.

[Mr. Bureau.]

Mr. CAHILL: Is it, then, the intention of the Government to go on expending money at approximately this rate for the next fifteen or twenty years?

Mr. GUTHRIE: I would not like to say that it will be the policy of the Government for twenty years, but I will say, for two years.

Dominion Arsenal, Quebec, $532,512.

Mr. MACKENZIE KING: I may as well move at once that this item be reduced by $250,000.

Mr. BUREAU: I understand there was to be a joint discussion of items 98 and 99, and the latter item refers to the Quebec Arsenal. May I ask the minister if the Ross Rifle factory is in any way connected with the manufacture of munitions or fire arms, and whether it is being used by the Government for any military purpose just now?

Mr. GUTHRIE: It is not used for any manufacturing purpose. The only military purpose we contemplate using it for at the present time is storage. I do not know what ultimately will be done with it.

Mr. BUREAU: I understand that after the Ross rifle factory ceased manufacturing Ross rifles it was leased to some company which engaged in the manufacture of fire-arms.

Mr. CASGRAIN: Revolvers.

Mr. BUREAU: The rental was $300,000 a year. Since then the machinery which was in the Ross rifle factory has been scrapped without discrimination. My information is that this machinery, which was of an expensive character and could have been sold at a higher price than that paid for it, was, under the instruction and supervision of a gentleman named, I think, Colonel Fisher, dismantled, hammered down to scrap and shipped to Colonel Fisher's foundry in New Brunswick, at a certain price, by whom fixed I do not know. The name of the foundry, I believe, in which he is interested or of which he is the owner is the Enterprise Foundry of Sackville, New Brunswick. No tenders were asked for in connection with the disposal of the machinery. I was told by reliable persons who were in the Ross rifle factory that they with their own eyes saw the machinery disposed of as I have stated under the orders of this Mr. Fisher and his son, who were at the head of the factory. Has the minister any knowledge of that?

I would like to know whether it is true that at the time it was decided to do away with the Ross rifle factory appraisers were appointed to establish the value of the different machines and to determine at what price they could be sold. Answers given to questions which I put in the House give some information with regard to this matter. I am told that the superintendent to whom I have referred was both purchaser and vendor in this transaction.

Mr. GUTHRIE: I have not much knowledge of the matter to which my hon. friend has referred. If he will let his question stand over until a more appropriate item is being considered I will give him the information. My general knowledge on the subject is that a business man named Fisher from the Lower Provinces was appointed to dispose of the equipment of the Ross factory. I do not know the terms upon which he was appointed, though I understand that he was acting without salary, merely on payment of expenses or something of that kind. But I will get my hon. friend the information.

Mr. BUREAU: If I get an opportunity to discuss the matter further, all right. But I do not see any other item in the militia Estimates under which I could discuss it.

Mr. GUTHRIE: It would really come under the item "War Appropriation." It was in connection with that that the factory was sold.

Mr. BUREAU: I consent that the question stand, on the condition that I get the information.

Amendment (Mr. Mackenzie King) negatived; yeas, 39; nays, 50.

Item agreed to on division.

Engineer services and Works, $705,000.

Mr. MACKENZIE KING: Will the minister give some explanation of this item?

Mr. GUTHRIE: This item is somewhat modest considered with the similar item in pre-war times. Before the war the item was $1,522,000; this year it is only $705,000. The item is to cover all expenditure for construction and repairs to buildings, including the Royal Military College and Dominion arsenals, except the restoration of buildings altered for war purposes, which will be paid from Demobilization Appropriation. It includes installation of water, gas and sewerage, telegraph, heating systems, and lighting plants, and the purchase of articles coming under the head of "engineer fixtures." It covers also advertising for tenders for engineer services, pay and travelling expenses of superintendent of works and his assistants at Quebec, the supervisor of works and his staff at the Royal Military College, and the supervisor of works and carpenter at Winnipeg. The items are quite lengthy; they are arranged according to military districts. Following are the Estimates for engineer services and works:

| Military District No. | Headquarters | Amount. |
|---|---|---|
| 1 | London | $15,000 |
| 2 | Toronto | 35,000 |
| 3 | Kingston | 25,000 |
| 4 | Montreal | 20,000 |
| 5 | Quebec | 60,000 |
| 6 | Halifax | 30,000 |
| 7 | St. John | 8,000 |
| 10 | Winnipeg | 15,000 |
| 11 | Victoria | 14,000 |
| 12 | Calgary | 7,000 |
| 13 | Regina | 8,000 |
| Esquimalt Garrison | | 18,000 |
| Royal Military College | | 24,000 |
| Ottawa services, engineer services at Ottawa, carried out at headquarters, maintenance and upkeep of drill hall, ordnance stores, magazine and rifle range | | 10,000 |
| Petawawa camp, ordinary repairs and works | | 18,000 |
| Halifax garrison, ordinary repairs and works | | 90,000 |
| Quebec defences, ordinary repairs and works (revote) | | 5,000 |
| Esquimalt defences, ordinary repairs and works, (revote) | | 5,000 |
| Valcartier camp, upkeep and contingencies | | 3,000 |
| Borden camp, upkeep and contingencies | | 5,000 |
| Headquarters reserve, to cover cost of upkeep | | 85,000 |
| | Total | $500,000 |

Then there are the following special items:

| | |
|---|---|
| Halifax defences: (revote) Upkeep and contingencies, and (1) To construct at Connaught battery concrete emplacement for three lights and directing station, (2) To construct concrete engineroom and ventilators for tank room, (3) Sandwich battery, to erect concrete cartridge store. | $ 50,000 |
| Quebec walls: General repairs to citadel walls | 50,000 |
| Halifax pavements: To provide for part payment for paving Prince, Brunswick, Sackville and Cunard streets | 30,000 |
| Rifle ranges generally: To provide for new ranges if required, and any large additions that may be found necessary and not otherwise provided for. Also to include the repairs to Edmonton rifle range | 50,000 |
| Connaught rifle range | 25,000 |
| Total | $205,000 |

These two amounts, $500,000 and $205,000, make up the total Estimate of $705,000.

Mr. FIELDING: In reference to the Halifax expenditure, the press contains announcements of very important changes at Halifax respecting the disposal of military property. It is intimated that the Government intend disposing of a large quantity of property at Halifax. Is the minister in a position to make some statement in regard to that?

Mr. GUTHRIE: The Government has under consideration the question of disposing of unused property which to-day belongs to the Dominion of Canada in right of the Department of Militia. As I explained to the House yesterday, we have a very large accumulation of valuable real estate which we are not using, and we have on the other hand a great lack of barrack accommodation in Canada. The question under consideration is the speedy disposal of the unused real estate, if possible, to provide a fund for the construction of barracks. I understand that a good deal of valuable Government property is located in Halifax. The matter is still only a matter that is receiving our best consideration. What will ultimately be done, I cannot say; but our object is, if possible, to turn these unused properties into cash. I cannot say when that will be done.

Mr. FIELDING: Do I understand that nothing definite has been done in regard to the city of Halifax?

Mr. GUTHRIE: Nothing definite. The properties have been listed and valued; that is all.

Mr. FIELDING: I noticed, among the details the minister gave us, quite large sums for pavements. Does that mean that we are going to construct pavements abutting some of the properties we are going to dispose of?

Mr. GUTHRIE: We shall take care not to expend our money on pavements opposite properties which we are going to dispose of unless that is going to improve the saleable value of the property. I think we could be trusted in that respect. It is to pay our share of the pavement in respect of those properties that the Estimate is made. I would not enter upon the construction of permanent pavement unless the saleable value of a property would be enhanced thereby.

Mr. DUFF: Does the minister mean sidewalks, or streets?

[Mr. Guthrie.]

Mr. GUTHRIE: The item includes both sidewalks and streets.

Mr. DUFF: Why would the Militia Department have to pave any streets in Halifax?

Mr. GUTHRIE: I think in every municipality the Government assumes a share of the cost of pavements. That rule has been established for a long time. The Government does not assume the whole thing; but where a frontage tax is assessed, the Government pays its share just the same as an ordinary individual.

Mr. DUFF: My idea is that the property owner pays for half of the sidewalk, in front of his property; he does not pay anything for the street, that is the ordinary custom. I never heard of the Government or anybody else paying for the middle of the street.

Mr. GUTHRIE: If that is the rule in Nova Scotia, that rule will apply to the Government also. But in Ontario the rule is different; the owner pays the whole cost half way across the street, that is, one-half of the cost of the whole street including the sidewalk and the pavement. The Government pays its share on the frontage tax basis just the same as an individual. If a different rule obtains in other provinces, that rule will apply to the Government also.

Mr. MARCIL (Bonaventure): I understand the department have been looking around in Montreal lately for a site for new barracks. They applied to the city corporation. I should like to know if it is contemplated to abandon the barracks at St. John's which have been used for many years. I should also like to know what has been done at the Bonnie Belair race track near the city limits. The request to the corporation was for a part of the Maisonneuve park, but the corporation has no power to allot a portion of a public park for such purposes.

Mr. GUTHRIE: We have some barrack accommodation at St. John's, Quebec, which is some distance from the city of Montreal. We have another property known as the Dorval property, as I am informed, about twelve or fourteen miles out from Montreal. A property so far out as that is not considered very desirable property for housing permanent troops. The reason is that it is so far from the city that enlisted men have to work until 5 or 5.30 p.m., and if they have to go fourteen or fif-

teen miles to town and fourteen or fifteen miles back, they consider that a great hardship apart from the expense, and it is difficult to obtain men under such circumstances. Consequently, the Dorval property has not been considered a very available property for purposes of barracks for permanent troops. The only other property the Government has in the city of Montreal is known as the Peel street barracks. That is a rented property and our lease of it is soon to terminate. We are confronted in Montreal with a problem—not quite as serious as the one in Toronto—where to house our permanent force.

Mr. PARENT: What about the Guy street barracks?

Mr. GUTHRIE: That is also a rented property.

Mr. MARCIL (Bonaventure): Has the minister abandoned the idea of continuing or enlarging the St. John barracks, which is a splendid place for housing troops?

Mr. GUTHRIE: The idea, in the meantime, is to continue the St. John barracks, not to enlarge them. The intention was to establish in the city of Montreal.

Mr. PARENT: Do not lose St. John's; it is very useful in election times.

Mr. GUTHRIE: It might be that in the course of years we should consolidate the whole district of Montreal, but at the present time there is no intention of abandoning the barracks at St. John's. We are very glad to have those barracks at our disposal at present. Some steps are being taken to look over various properties in Montreal, but no definite action has been taken.

Mr. MARCIL (Bonaventure): Are the St. John's barracks utilized at the present time?

Mr. GUTHRIE: There is one squadron of cavalry there now, which, I believe, fills the barracks.

Mr. FIELDING: The minister is slightly inaccurate in one particular. Dorval is nine and one-half miles from Montreal, not 14 miles.

Grants to associations, etc., $105,000.

Mr. SINCLAIR (Guysborough): There seems to be a considerable increase here. Last year my hon. friend got along with a very small sum, and I suppose if he made up his mind he could get along with a much smaller sum than this year. Last year he spent $2,548.60. Most of it was spent in the city of Ottawa. Headquarters Rifle Association, Ottawa, received $100; Canadian Rifle League, $500; Western Canada Military Institute, Winnipeg, $700; Canadian Military Institute, Toronto, $700; Henry Birks & Sons, Ltd., Ottawa, 60 cents; G.G.F.G. Band, Ottawa, $548; a total of $2,548.60. The item this year is about forty times as much. It would seem to me the minister might make some saving here. It is very nice to give a present to a brass band, but I would suggest that the minister give the money to the Minister of Finance to enable him to pay some of the bills on his desk which he has not the money to settle. I think instead of giving away presents to various associations it would be more in keeping at the present time if we paid our debts.

Mr. MARCIL (Bonaventure): I see by a Montreal evening paper that the keeper of the Chambly Fort, a very historic fort in the province of Quebec, not far from Montreal, has been given notice that his services will be dispensed with on the first of July. What is the intention of the department regarding the Chambly Fort?

Mr. GUTHRIE: This is the first I have heard of this matter, but I shall make inquiries and let my hon. friend know tomorrow. In answer to my hon. friend from Guysborough, I think we should expand, rather than attempt to save, on this item. The reason why the expenditure was small that year was that we had no units at all and very few hands, because the majority of the men had not returned. This is one of the grants that is expressly for the purpose of encouraging the volunteer force in Canada. It is not for the permanent force at all. Of this item $23,000 is for military bands. For Military Institutes, which are extremely necessary and which do a splendid work, we have put in the modest sum of $5,000. I would have liked to see that increased, but that is all we are asking this year. For Rifle Associations, $69,000, and for Service Associations $15,100. That would be $112,100, but we have made a reduction of $7,100 on account of Rifle Associations which it is anticipated will not complete their organization in time for the grant, leaving the net amount $105,000. Having regard to the cost of everything nowadays, I think that is a very modest programme. The amount spent last year, I am told, was $27,000, and the amount voted last year $80,000.

Mr. CRERAR: Are these rifle associations military associations?

Mr. GUTHRIE: They are semi-military associations. Civilians form them, too.

Maintenance, Military Properties, $200,000.

Mr. MACKENZIE KING: I would like to direct the attention of the minister to the fact that according to the statement he presented to Parliament we are asked to pay about twice as much for the maintenance of military properties this year as we were in the year preceding the war. The amount that is asked this year is $200,000, whereas in 1913-14, according to the statement which the minister has given to Parliament, $100,000 was expended for this purpose. It would look as though during the war we had acquired a lot of property and now are going to spend a lot of money on keeping it up. Can the minister give any explanation of this big increase?

Mr. GUTHRIE: The general increase in the cost of practically everything is largely accountable for the increase in this item. It covers rentals, for instance, and rentals have increased. Fuel, which has more than doubled in cost, light, water, telephone rents, sanitary services in connection with all buildings, drill halls, armouries, and rifle ranges rented by the Government, except those occupied by the permanent force. These are buildings which pertain exclusively to the volunteer force. I do not know that I can account for the increase beyond saying that it is due to the increased cost in every one of these items.

Mr. MACKENZIE KING: What is the Government paying as rents?

Mr. GUTHRIE: In Military District No. 1, $287; in Toronto, $22,880; Kingston, no rent; Montreal, $13,701.

Mr. MARCIL (Bonaventure): Is that for Peel street barracks?

Mr. GUTHRIE: And Guy street, too.

Mr. MARCIL (Bonaventure): That is no longer in use.

Mr. GUTHRIE: It covers all our buildings in Montreal which are not for the permanent force. In Quebec, Halifax and St. John, New Brunswick, there is no rental; Winnipeg, $2,280. When this Estimate was prepared there was no rental for Victoria, but we have since had to rent a property there for artillery barracks; Calgary, $5,160; Regina, $9,600. The fuel item is a very serious one, amounting to $137,753. Fuel has more than doubled in cost, I think, in the last few years. Light, $26,533; that is for the whole of Canada. Water and sundry items, $28,215. That makes a total of $246,000-odd which the military districts have requested, but the amount we are asking is $200,000.

[Mr. Crerar.]

Mr. STEIN: Are these drill halls all on the same footing as the one that has been rented by the Government since the beginning of the war in Rivière-du-Loup, in the county of Temiscouata, for a drill hall? The building belongs to Mr. Riou, a lawyer of Rivière-du-Loup, and the defeated Unionist candidate in the county of Kamouraska at the last federal election. It is a very interesting case. Although there was a drill hall in the city of Rivière-du-Loup belonging to the Government, this gentleman succeeded in renting to the Government his clothing store for a drill hall for three years, and he had a condition in the lease that if the Government failed to notify him three months before the expiration of the lease that they wanted to terminate it, the lease was to run for another three years. The Government failed, as usual, to do its duty. They did not give the necessary notice and the lease is in force for three more years, the rent having been increased from $75 to $90 per month. The place is closed and the rent is paid by the Government. I should like to know if all other drill halls are in the same case as this one.

Mr. GUTHRIE: I can assure my hon. friend they are not.

Mr. STEIN: I am glad to know it.

Mr. GUTHRIE: This one appears to be something of an exception. My understanding of the matter was that the Government had an option on the property for a lease of either three or five years, or perhaps it was two or five years. For two years the rental was something like $75 a month, and if they took it for five years it was to be increased to $90. The Government fitted it up for a drill hall for the purpose of mobilization during the war, and it is now to be used for the purpose of a local corps of volunteers, which we hope to form and which is authorized at the present time for artillery purposes. I do not know that at this moment it is used for that purpose, but that is the intention; and I certainly hope that in the near future it will be put to that use. It will be a drill hall for the militia, and while it may not be the most up-to-date building, I think that for the purpose for which it is intended it is quite suitable. That is my information, although I am not personally aware of the facts of the matter.

Mr. ARCHAMBAULT: A big Unionist gun.

Mr. STEIN: I think the Government should admit that this is a blunder. There is another drill hall in Rivière du Loup, distant from that one about ten acres or arpents. It was built in 1910 or 1911 by the Government, and it is closed as well as the Rioux drill hall. The Government has already one drill hall with a place in which to put ammunition, and the other place is simply a store that was closed owing to the fact that the lessee had abandoned business. When the war broke out, instead of using the drill hall that belonged to them the Government opened up this other place. It was only after the Rioux arsenal had been in use for two years or thereabouts that the Government, having been censured by the newspapers for this blunder, decided to use the other place. There is no use for two drill halls in Rivière du Loup.

Mr. LEMIEUX: May I ask the hon. member for Kamouraska (Mr. Stein) if this is the same Rioux who was suspended by the Bar Association of Quebec?

Mr. BUREAU: Yes.

Mr. MARCIL (Bonaventure): When the minister says that he is looking around Montreal for another site for barracks, do I understand him to mean that the Dorval property is to be abandoned? On whose advice was that property purchased and what was the price?

Mr. GUTHRIE: I do not desire my hon. friend to understand me to say that any definite conclusion has been reached in regard to the Dorval property. The question of disposing of it is under consideration; but unless we can dispose of it to advantage I do not for a moment say that action will be taken. Inquiries have been made in regard to other properties in the city of Montreal. I do not know at present what the property cost, from whom it was purchased, or when it was purchased. If my hon. friend desires that information I can undertake to get it for him to-morrow.

Mr. MARCIL: I am afraid the Government will not get what they paid for it.

Mr. GUTHRIE: That is often the case with private property.

Mr. CANNON: Who looks after the drill hall at Lévis?

Mr. GUTHRIE: I understand there is a caretaker there but at the moment I cannot give his name.

Mr. CANNON: What is his salary?

Mr. GUTHRIE: When we come to the item of salaries and wages I can give all that information. His salary is $120 a year; his name is Richard.

Mr. CANNON: When was he appointed?

Mr. GUTHRIE: I have not got that information now. I will try to get it when we come to the item of salaries and wages.

Mr. CANNON: On whose recommendation was the appointment made?

Mr. GUTHRIE: I have no knowledge of that. If these questions are material, when we come to salaries and wages I shall be glad to furnish the necessary information.

Ordnance, Arms, Lands, etc., $100,000.

Mr. ARMSTRONG (Lambton): Would local companies organized in battalions be given any money under the item in the details: "Grants to Rifle Associations, Active Militia Bands, Military Institutions and Regimental Associations"?

Mr. GUTHRIE: Local companies are not entitled to grants.

Mr. ARMSTRONG: What I mean is, are any grants given to local companies in the way of assisting them to organize and carry on?

Mr. GUTHRIE: The only assistance that is given is the grant made to the officer commanding. He is paid at the rate of 60 cents per man of the company.

Mr. MACKENZIE KING: Will the minister please explain this item?

Mr. GUTHRIE: This item is to provide for transport of heavy ordnance and field guns; for the reserve of mobilization stores; ammunition, small arms, saddlery, harness and transport vehicles, also for the inspection, maintenance and repairs of same; for the cost of inspection of all ordnance; for the purchase of land for camp grounds, rifle ranges, drill halls, etc.; for all expenses and disbursements in connection therewith. Before the war, the annual expenditure under this vote was in the neighbourhood of $2,000,000. At the present time there is considerable reserve on hand of clothing and military stores. The ordnance used overseas is being returned rapidly to Canada, so that for the present and for some time to come I do not anticipate that it will be necessary for us to purchase any ordnance. The annual provision that must be made for the coming year will be the cost of inspection of am-

munition. There will be some changes, I believe, in the howitzer equipment, to conform to the British pattern. A few small purchases of land remain to be completed; I have not the details of those land purchases. It is estimated that the expenditures under this item will amount to $100,000.

Mr. MACKENZIE KING: The minister said that this item was to cover expenditures for rifle ranges and drill halls. Might I remind him that he informed the House yesterday that the department had altogether some $3,500,000 or $4,000,000 worth of land that they did not know what to do with and that they were thinking of disposing of it and taking the proceeds to help to meet the expense of putting up barracks. Under these circumstances does the minister think he can justify asking for a further expenditure for rifle ranges and drill grounds?

Mr. GUTHRIE: These are small portions of land that may be wanted here or there to extend a range or drill ground. It is only a contingent matter. I do not know what these pieces of land may be. There may be none at all. But the question of rifle ranges is a large one. To take the situation right here in Ottawa, I am informed that we have in the Connaught ranges perhaps the most highly equipped and best rifle range on the continent of America. The only difficulty is that it is five or six miles away from street car service. We are waiting for the extension of the car line, but there does not seem to be much of a prospect of that in the near future. We have a very valuable property at Rockcliffe. My information is that when the Connaught range was purchased it was with the intention of selling the Rockcliffe property. Offers are being received for the Rockcliffe property.

Mr. LEMIEUX: From whom—private parties?

Mr. GUTHRIE: Private people, syndicates and the like. The question of disposing of a property of that kind is a difficult one for a government. A government cannot very well get into the real estate business. In order to get the full value out of that property it has to be divided and subdivided. It will probably have to be sold in small sections over a period of time, and a government cannot do that very well. The same thing applies to the beautiful property at Toronto known as the Rifle Range property. The hon. member for Victoria (Sir Sam Hughes) says it should be kept as a rifle range. It is a property valued at between $1,500 and $2,000 an acre and there are between 500 and 600 acres. It is far too valuable to be used as a rifle range. It is bounded on the north by the provincial highway and on the south by lake Ontario, and all around it are the highest-class residential buildings in Ontario. It is not suitable for a rifle range. How to dispose of it is the question. The Government has not yet determined how it is going to do it.

Mr. MOWAT: I hope the minister will not think of disposing of the Long Branch ranges property until he has another one in sight. That property is supposed to be a very good range. The Provincial Rifle Association meets there every year, and the range also supplies facilities for practice for the regiments at Toronto where there are the best shots in Canada. Land is pretty expensive all over, but I hope the minister will not think of selling our only rifle range unless he has another suitable property to substitute for it.

Mr. CURRIE: First of all, the Militia Department had a very valuable property in the western part of Toronto known as the Garrison Common. That property was obtained by the Militia Department from the Imperial Government. An arrangement was made whereby it was to be sold to the city of Toronto and the Toronto Exhibition Association in lieu of land which the city and the Exhibition Association were to purchase for the department. The city and the Exhibition Association purchased land out near the Humber so that the Stanley barracks could be moved there. The permanent force was to be established on this property. The rifle range was purchased out on the Lake Shore road originally for the purpose of the riflemen and for the use of the Ontario Rifle Association. They used to lease to the Ontario Rifle Association the old Garrison Common. The Government bought this new rifle range near Port Credit and the militia units used it and the Ontario Rifle Association. Subsequently the Government disposed, at a big profit, of the land at the Humber, making a few hundred thousand dollars on the transaction, and they purchased a cheap property alongside of the rifle range where it was the intention to establish the new barracks for the permanent force. When the minister says that there is going to be a new policy and that this land is going to be sold, the city of Toronto will certainly ask some questions. It will want to know

where the permanent force is going to be located. As a matter of fact, the Stanley barracks, where the permanent force is located to-day, belongs to the city of Toronto and there is no reason why the permanent force should be allowed to remain there a day longer. The city of Toronto bought that property and paid for it but the permanent force is still there. It is not the property of the Militia Department any longer in so far as fairness and equity are concerned, because the city of Toronto has satisfied the Militia Department by giving it a property to take the place of the Garrison Common property. Where is the permanent force going to be located if you are going to do away with the property at Long Branch? Where are you going to get, in the vicinity of Toronto, a rifle range that will meet the requirements of the present long-range rifle? You will have to go out fifteen or twenty miles unless you are prepared to pay twice as much as you will get for the Lake Shore road land. I had the opportunity of going over topographical surveys and plans of rifle ranges within fifteen or twenty miles of Toronto and there was only one that I could see that was within any reasonable distance of Toronto. Before that policy is adopted the Militia Department had better, to use a current expression, mind its step, because it is not going to act fairly or justly if it does what the minister suggests.

Mr. GUTHRIE: Does my hon. friend know the attitude of Toronto in reference to this matter because we have had communication with them?

Mr. CURRIE: I do not know the attitude of the city of Toronto, but I know the attitude of the citizens of Toronto. If the minister accepts the attitude of two or three aldermen in the city of Toronto he is liable to err. Their attitude in regard to the rifle range cannot be taken as that of the city. The council of the city of Toronto is made up in part of real estate dealers who, very likely, want to see the rifle range sold so that it can subsequently be disposed of in lots. I do not know where there is any other land within a reasonable distance of the city and I am sure the ex-Minister of Militia (Sir Sam Hughes) will bear me out in that. This is the first time that anybody ever heard the council or anybody else in Toronto wanting to remove the permanent force, sell the rifle range and not build the barracks out at Long Branch.

Mr. GUTHRIE: We must not have any misunderstanding about this. I did speak of removing the permanent force but of establishing it in Toronto. There is nothing to house the permanent force at the present rifle range property. The huts are there, but they are largely blown down. We have transferred the old Garrison Commons to the city of Toronto, and we are there now as tenants-at-will of the city. The city does not want to put us out, and we want to find a suitable place in Toronto. We have a property in Rosedale, but there is great objection to our utilizing it for barracks. We have the St. Andrew's College property which we bought during the war for $500,000, and we want to dispose of it. We are sure we can get a little more than that for it now. We have that property worth $1,500 or $2,000 an acre in the finest residential part of the city of Toronto, and to use that for a barracks would be rather extravagant. Consequently another site will have to be provided. We do not want to keep the old Stanley barracks; it is not suitable and there are complaints in regard to it. The officers of the Toronto district have gone into this question from top to bottom but the difficulty is where to locate. Detachments of men who should be stationed in Toronto to-day are not there. The Princess Patricias are in London whereas they ought to be in Toronto. I do not know whether we shall be able to move them this year to Toronto or not. We have in the Orthopedic Hospital a very large building, but the units in Toronto want it for ordinary drill hall purposes. In any event it will take a lot of money to make it suitable for barracks. It is a difficult problem that confronts us. The idea was to get a new rifle range if one could be secured, and establish a new barracks in Toronto. The question of the money was not the difficulty, in view of the valuable property we hold.

Sir SAM HUGHES: Why not use part of the rifle range for the barracks?

Mr. GUTHRIE: There is room there, but in the first place I think it is pretty valuable land to use for establishing a barracks and in the second place the objection from headquarters in Toronto is that it is nine miles from the City Hall and the main objection is the time consumed in getting from one place to another; the amount of travelling is too great, and then there is the question of expense.

Sir SAM HUGHES: Is it too far from the pink teas?

Mr. GUTHRIE: It is the men that are making the complaint, not the officers.

Mr. MOWAT: I know something about this question and I think I ought to say a word or two about it. The present barracks, I think, are to small, and the officers cannot get recruits, especially for the permanent force, unless the barracks accommodation is made better. You see, our young fellows in Canada are accustomed to the conveniences of life, and to living in good houses. They are not going into a ramshackle barracks where ten or twelve men occupy one room and there is no privacy. Unless the Government can find its way to provide barracks accommodation such as they have in the Old Country and in the United States—where the dwellings are really homes for the men and they take a pride in them—it is going to experience difficulty in getting recruits. I know perfectly well the Government is up against great difficulty in getting accommodation at this time; but if you take the men out nine miles from the city where they cannot get in to see the motion pictures, or to visit their friends, and that kind of thing, it militates against recruiting. The thing to do now is to try and secure barracks within a reasonable distance of the centres of amusement, and shops, and similar conveniences, otherwise the men will not enlist.

10 p.m.

I am sorry to say I have to somewhat resent the character of the remarks made by the hon. member for North Simcoe (Mr. Currie). That hon. member characterized the aldermen of Toronto in a way that is not acceptable to me. He must remember, although he comes from North Simcoe, that these transactions are not left to one or two aldermen, but that anything that is done is done by the city council as a whole —a very respectable body of men, who never take any action without great deliberation.

Mr. CURRIE: With regard to this matter I wish to say that when the land was purchased at Long Branch for the permanent force, as an addition to the rifle range, plans and specifications were prepared—in fact I think tenders were called just at the outbreak of the war—in order to put up these barracks. Nothing further in that direction was done, but for the last two or three years there have been mysterious purchases of land in the vicinity of Toronto for military purposes. The reason for these transactions is not apparent but everybody knows that the Militia Department have made enough money out of the transactions in land in Toronto to have built these barracks and to have built them long ago. As far as the city council of Toronto is concerned I do not think this matter ever came before them.

Mr. GUTHRIE: I did not say it had.

Mr. CURRIE: But the minister left the impression that he had had communication with the city council of Toronto. No doubt he has had transactions, or conversations, or communications, with some of the real estate members of the city council of Toronto; and perhaps there are one or two firms of real estate men in that city—the Gibsons for example—that have had communications with the Department as to suitable places for a barracks, moving this and that, and buying land and shifting things around. I know they sold land in Rosedale to the Department which I believe was a good bargain. The minister surely does not think for one moment that the city of Toronto, or the citizens of Rosedale, would appreciate putting Stanley barracks in the middle of that district.

Mr. GUTHRIE: No, we have decided not to put the barracks there. That was why we entered into negotiations with the city of Toronto. We have abandoned the idea of building barracks in Rosedale, but we have that property now and we have to dispose of it. The question we are trying to settle is a suitable location for a barracks in Toronto, but any negotiations that have taken place have been purely informal, and there has been no offer.

Mr. CURRIE: To whom?

Mr. GUTHRIE: There have been no agreements. All we have been doing has been casting about with the idea of locating the most convenient place for a barracks to be put.

Mr. CURRIE: When was the policy changed? When did the Militia Department decide to remove from the present site on the rifle range, which was adopted, I have no doubt, in Order in Council passed for that purpose? Land east of the rifle range was bought with that idea in view and plans and specifications were actually gotten out. The original idea was to build on the Etobicoke river, and an elbow of that river was incorporated within the area. That was done for the purpose of building Stanley barracks there. The street railway runs every ten minutes from there to the city and the journey can be made in about twenty minutes. As far as the value of land is concerned none can be got within

walking distance of the city that is less valuable than the land at Long Branch. That property was purchased very cheaply at the time it was required. I do not suppose the rifle range land averaged $300 an acre altogether, for all that is there. It would be a great mistake to dispose of that land now, especially to destroy the rifle range that exists there. It is used by some four or five hundred riflemen every week and should not be taken away from them without their knowing anything about it. That such a thing should be done without anything being known about it is a thing that I as an ex-officer and member of the Dominion Rifle Association object to.

Mr. GUTHRIE: Nothing of the kind will take place. I can give my hon. friend an assurance of that.

Sir SAM HUGHES: I presume that, as the hon. member for North Simcoe says, there is question of land speculation involved.

Mr. CURRIE: Real estate.

Sir SAM HUGHES: I know that at the time my predecessor purchased the property at Rosedale there was some talk of buildings going up around it. At the time it was all farming country, but the view was entertained that before any very distant date there would be lots of handsome residences. Well, that day has arrived. I suppose there is very great objection to having a barracks in that locality because it might be inconvenient to the people there—just as it was in the city of Montreal—to have their servant girls run away with by the soldiers. There is land on the Etobicoke river—a couple of hundred acres of land—for my hon. friend's purpose. I certainly join in the remarks of the hon. member for North Simcoe in regard to taking away the rifle range without a thorough inquiry into the whole subject, and I most certainly object to having the force located in the city of Toronto without an inquiry as to the nature of the situation and the conveniences available for the mounted troops.

Mr. GUTHRIE: I can assure my hon. friend that nothing of the kind will be done without the fullest inquiry and the widest publicity and without proper regard for the interests of all concerned.

Mr. LEMIEUX: The minister stated a moment ago that he intended to sell the Dorval property. Has any report been made which would indicate that the sale of that property is justifiable?

Mr. GUTHRIE: My hon. friend must not put words in my mouth. I did not say that I intended to sell any property. What I said was that the policy was now under consideration of selling such properties as were not being utilized. I am told that there is some objection to the Dorval property. I understand that for one thing, the level of the land is below the level of the river. I do not know how true that is, but if it is true it would be a serious defect. But I am not at all familiar with the Dorval property; I have never seen it.

Mr. LEMIEUX: I remember that when the property was purchased a few years ago the transaction was criticised, but it was very hotly defended on the floor of the House. The property was represented as being a good one, very accessible to the militiamen of Montreal. Now we are informed that it is below the level of the St. Lawrence.

Mr. GUTHRIE: If the property is as suitable as my hon. friend thinks it is, it may be adopted as a site. I understand that there are objections to it.

Mr. LEMIEUX: Has my hon. friend any report against that property, or any report to justify his assertion that it may be sold?

Mr. GUTHRIE: I have simply made the general statement that the question of the sale of all military property in Canada which is not being utilized is under consideration. My information is that the Dorval property is not being utilized. If it should turn out that the Dorval property is suitable for barracks I do not see any reason for selling it; but if it is unsuitable and not being used for militia purposes there is every reason for not holding it, provided a proper price can be obtained for it.

Sir SAM HUGHES: I chance to know a little about the Dorval property. There is no truth whatever in the statement that it is below the level of the river. The Canadian Pacific and the Grand Trunk Railway lines run through it. The plans are in the department to-day, or were there when I left, for the septic tanks for draining the property. At time of high ice flood the property has had water on it, the same as parts of Montreal itself have had water on them in days gone by, but there is no more danger of the place being under water than there is of the city of Ottawa where we now stand being under water. The property is quite a suitable property, the

only place we could get within reasonable distance of Montreal. Officers and non-commissioned officers were consulted with regard to the purchase of the property; it was generally regarded as a very suitable site and as the most convenient place for officers to train for their certificates. If plans were taken of the militia properties that were handed over by the Imperial Government in the various cities and centres throughout Canada and a comparison made of the extent of those properties and that of the properties which we now have, the public would be startled. There was the case of Lafontaine park in Montreal, which was handed over for a song. My policy was to hold to every foot of land we had. These properties do not cost the country anything for maintenance and they are all coming in handy. The whole trouble is that a number of speculators get after the Government in one form or another, and the first thing you know is that these properties are sold and then the Government has to turn round and pay large sums for other property. Keep the speculator out of this business and things will come out all right.

Mr. MARCIL (Bonaventure): Alongside the Dorval property there is a remount station. Is that owned by the department or is it only leased?

Mr. GUTHRIE: I believe that it was leased by the Imperial Government. I do not know whether or not it is in existence now. It does not belong to this Government.

Mr. CANNON: Is it the intention of the Government to remove the Ross Rifle factory from the Plains of Abraham?

Mr. GUTHRIE: I really never heard that question discussed, but I will take it up and consider it. I do not really know enough about it to answer.

Mr. CANNON: Last year the minister's predecessor had given the matter consideration but evidently had not reached any conclusion. It is a very important matter and the people of the city of Quebec would be grateful for any information that the minister can give on the subject.

Mr. GUTHRIE: The hon. member for Quebec West (Mr. Parent) spoke to me once on the subject and I think I said that we might go down and look the situation over. But I really have not any information on the subject. I can make in quiries and will give my hon. friend an answer.

Progress reported.

## POST OFFICE ACT AMENDMENT.

On motion of Hon. Martin Burrell (Minister of Customs and Inland Revenue) Bill No. 167, to amend the Post Office Act, was read the second time, and the House went into committee thereon, Mr. Boivin in the Chair.

On section 1—maximum registration fee increased from five to ten cents:

Mr. MACKENZIE KING: What is the meaning of that amendment?

Mr. BURRELL: Under the present registration fee of five cents the department has been losing about a quarter of a million dollars annually, and this loss will be augmented by increases of salaries, and so on. We are now placing the fee for registration at ten cents instead of five. That is the same as they have it in the United States and lower than the registration fee in England. The rural postmasters will obtain slightly increased remuneration on account of the increased revenue.

Mr. MARCIL (Bonaventure): What is the rate of domestic postage in the United States?

Mr. BURRELL: Two cents.

Mr. MARCIL (Bonaventure): Then for registered letters we will have to pay the ordinary postage of three cents and an additional ten cents, a total of thirteen cents. Does the minister consider that reasonable?

Mr. BURRELL: Of course, the extra cent on the ordinary postage is an increase made on account of the war expenditures, so we might leave that out of consideration. But the registration fee in the United States is, as we are proposing, namely, ten cents.

Mr. MARCIL (Bonaventure): As the domestic postage there is two cents, our rate should be the same. Surely we are not behind the United States in that matter.

Mr. BURRELL: We are well up to them anyway.

Mr. BUREAU: This is an increase of 100 per cent, and it is a pretty quick jump. We have surely enough taxes to pay without this one. If we want to send a registered letter, that costs ten cents; special delivery costs ten cents, and then there is a war tax in addition on domestic postage.

Mr. MARCIL (Bonaventure): We want some explanation.

Mr. BURRELL: I can only say again that I do not think there can be a very strong objection to a rate which will relieve us of a heavy deficit on the registration branch. This is a different matter from ordinary rates, and people who want to send registered matter, will not object very seriously to paying five cents extra, and nobody would expect the department to carry registered mail at a loss of from $250,000 to $500,000.

Mr. BUREAU: The minister says that this is to cover a loss on registered mail. Surely there cannot be a loss of one hundred per cent on registered mail. The revenue of the department surely cannot be only fifty per cent of the expenditure on registered mail. There is only the stationery required, and the time required by the clerk to register, and the cost of the postage stamp. A special bag may be required, but does the department pay anything extra to the railway companies or other carriers for carrying registered mail?

Mr. BURRELL: There is largely the question of men, separate employees, to handle the registration branch. If the railways raise their general rate, as there is every possibility they will, and as they have now power to do so, that would also increase the expenditure pro rata, and I think I would be fairly safe in saying that the loss to be faced by the department, if we leave the rate at five cents, would come to pretty nearly $500,000

Mr. BUREAU: Why not make the rate eight cents?

Mr. MARCIL (Bonaventure): What is the total deficit in the Post Office Department for the past year?

Mr. BURRELL: I cannot give my hon. friend the exact figures in relation to the Post Office Department, but practically the war revenue and the additional one-cent postage wiped out the deficit.

Mr. MARCIL (Bonaventure): Do I understand there was no deficit at all last year?

Mr. BURRELL: No deficit last year.

Mr. MARCIL (Bonaventure): Then, what is the purpose of increasing this rate on registered mail?

Mr. BURRELL: We cannot say that there will not be a deficit next year.

Mr. MARCIL (Bonaventure): Is the increase being made in anticipation of a deficit this year?

Mr. BUREAU: The Government ought to increase the rates on the railways also if that be the case. I understand this is to cover a deficit or because there is a shortage in revenue. This increase of five cents must be based on something. Surely it is not a haphazard guess made by officials of the department to increase the revenue. It must be for the purpose of meeting a deficiency in revenue, and it must be based on certain data. I should presume that that data would be a deficit or shortage in revenue in the Post Office Department. My hon. friend (Mr. Burrell), acting for the Postmaster General, says that the one-cent war tax covers the deficit they had in the department, and without knowing what the probable deficit may be next year, we are going to charge an additional five cents. If we take the past year as a basis, this five cents additional is going to be a net surplus, or we might say that it is a disguised war tax that is being imposed by the Post Office Department instead of being imposed by the Finance Department. If there be no deficit, why charge this five cents additional? If there be a deficit, why not charge just enough to cover the difference between the revenue and expenditure of this branch of the Post Office Department?

Mr. BURRELL: That is practically what we are doing as regards this special branch of post office work. The registration branch with which we are dealing now came out with a very heavy deficit, a loss of about $250,000, which will be augumented this year if we do not charge an additional rate. As regards the question of deficit or surplus in the whole department, it is more than probable that we shall have to face a deficit when the railway rates are increased, as power has been given to increase them and no doubt they will be increased on all mailable matter. This item is to put this particular branch of the service on something like a paying basis. If the rate remains as it is, we shall have to face a probable loss of $500,000 on this branch.

Mr. FIELDING: What constitutes the additional expense in the registration branch? I understand, of course, there must be a registration branch in every post office, but in the bulk of the post offices throughout the country, the postmaster who

receives a small salary looks after the registration branch as well.

Mr. BURRELL: There are various expenses, administration, equipment, bags, different handling and a large increase in the number of employees in comparison with a general post office.

Mr. LEMIEUX: Under ordinary circumstances, if we had paid our debts resulting from the war, I would not protetst against paying an additional tax for the registration of my letters, but the public will be plastered with taxes after a while. The Minister of Finance (Sir Henry Drayton) has just been plastering the public with heavy taxation on everything, possible and impossible. Now we come to the Post Office Department, and under pretext of covering a deficit in the registration branch, we are asking the public to pay 10 cents instead of 5 cents for registering a letter. I do not accuse the officials of this department; they are under the control of their minister, and one thing I regret most sincerely is to see that this department, a most important one, one which has to deal with the public generally, is not represented on the Government benches in this House. The present incumbent, Hon. Mr. Blondin, sits in the Senate; he cannot appear before this committee and explain to the House of Commons the management of his department. Generally, amongst the public it is considered that he is completely ignored in the management of his department. The ministerial press admits that in the settlement of the Toronto strike and in the official declarations which are made by the Government concerning this very serious state of affairs, the Postmaster General is kept absolutetly at bay. We cannot know how the department is being managed. The minister ought to be here, or some one who is familiar with the department should be. It would be much more in the public interest to have an undersecretary for the Post Office Department than to have under-secretaries for other departments which are already represented by their official heads in this House.

So far, so good. There is something very strange with the Post Office Department. As I said a moment ago, I am not discussing the personnel of the department; they are not officially responsible before Parliament; the minister is. But it seems strange, when we look at the figures, that there has been in that department a regular sabotage as regards expenditures since 1911. Let me give a few figures from the Public Accounts for 1919, and when the public realize that the expenditure of the Post Office Department has more than doubled in the ten years that have elapsed since 1910-1911, I am sure they will not be satisfied to pay taxes and super-taxes in order to cover a deficit in the registration branch of the Post Office Department. I say with pride, Mr. Chairman, (Mr. Nesbitt), when you and I sat in that old building under Sir William Mulock, and when you, Mr. Chairman, voted for the then Postmaster-General, your humble servant, we had some surpluses to show, and with a reasonable expenditure we were able to accomplish some reforms. I shall mention only two. By reducing the postal rate from three to two cents we gave surpluses to the people, instead of deficits. I also inaugurated rural mail delivery in this country, not with a deficit, but on a sane and reasonable basis. But the gentleman who succeeded me, the Hon. Mr. Pelletier, and the present incumbent, if he takes any part in the management of the Post Office Department, have perfomed a regular sabotage with its finances. I mentioned the other day that the number of employees in city post offices had been trebled since 1911, when the increase in population and correspondence did not justify this vast increase in the number of appointments. Let me give a few figures in order that the country may know why this tax is being imposed to-day. I shall give only the round figures. In 1910-11, the total expenditure of the Post Office Department amounted to $7,954,000. In 1911-12,—I was responsible for the expenditure that year, although the Hon. Mr. Pelletier was sworn in during the month of October, 1911—the expenditure amounted to $9,172,000. Now observe the jumps in the figures; 1912-13, $10,882,000; 1913-14, $12,822,000; 1914-15,—with the increased tax—$15,961,000; 1915-16, $16,009,000; 1916-17, $16,300,000; 1917-1918, $18,046,000; and 1918-1919, $19,273,000. I have not the figures at hand for the present year, but I daresay that the expenditure has materially increased over the last fiscal year. I say that there is nothing to justify that wild increase in expenditure in the Post Office Department. There is nothing to justify the big increase in the number of employees who have been appointed and are scattered all over the country from one end to the other.

Do you ask evidence to support the statement I am now making to the committee? Mr. Chairman, the Government has just passed an Order in Council appointing a German-American firm to investigate the

affairs of the Post Office Department, and I read in that Order in Council No. 1238, approved by His Excellency the Governor-General on the 31st day of May, 1920, the following:

The Committee after careful consideration is of the opinion that a very substantial saving together with more efficiency and orderly work would result from the reorganization of Government Departments on the lines pursued by that company. They are of opinion that the services of Griffenhagen and Associates, Limited, should be retained, and that the reorganization of the Department at Ottawa should be proceeded with, taking up for a commencement the two Departments of Post office and Customs, the former of which has some 24,000 employees, and the latter some 4,000 odd.

I shall not speak for the Customs Department because I am not familiar with it, but I am familiar with the Post Office Department, and I say that when the country learns that there are 24,000 employees in that department, the country will stand for no increased taxation. The country is ready to pay a reasonable amount of taxation for legitimate war debt, but it will not stand for any tomfoolery in the administration of a department which until 1911 was well administered by those who presided over its affairs. How can the minister account for the expenditure in that department, which has more than doubled, and for the tremendous increase in the number of employees? What was the population of Canada in 1911, and what is our population to-day? When you compare our population in those two years, will the hon. gentleman tell me that there is any justification for the tremendous increase that has taken place? What can the deputy minister and the officials of that department do when at its head there is no will to power and no power of will to stop the expenditure? When, on the contrary, new offices and new jobs are created and money is spent wildly from one end of the country to the other? I say that this increased registration fee is simply camouflage. It is not imposed with a view to making up a deficit in the registration branch, but in order to cover the wild expenditure which has taken place in the Post Office Department, and which has become so appalling that the Government themselves are obliged to send to the United States for a German-American firm to reorganize the whole department?

I am sorry in a way that the press of Canada will have to pay. Of course, it is unjustifiable. A paper to-day is just as much needed as a meal. Everybody reads his morning and his evening paper. But the press of Canada has given its blessing to the carnival of corruption which has taken place in every department of the Government, because, forsooth, it was with a view to winning the war. Well, we have to-day the result of this win-the-war sentiment. We have to pay the bill and face taxation, and the press is being asked to recoup the Government after the wild expenditure it has tolerated. I say that the minister, before extorting from the people this additional taxation, should give us the real state of affairs in the Post Office Department. No statement has ever been made of the administration of the department since 1911. You will remember, Mr. Chairman, that when Hon. Mr. Pelletier was Postmaster-General he always managed to come with his Estimates at the very last hour of the session; no debate could take place on his Estimates. And the same system has been followed since. We have been unable to learn the real administration of the department. Before there is any additional taxation, I think it is due to Parliament that the responsible head of that department should explain the tremendous expenditure that has taken place during the last ten years. The time has come to render an account in that department, which once took pride in its services and in its sane and reasonable administration of affairs but which has now reverted to the old state in which it was found when Sir William Mulock became Postmaster-General.

Mr. MARCIL (Bonaventure): The minister should give some figures in regard to the registration branch. I should like to know the total revenue and expenditure. I am sure that the people in the country districts will be amazed when they are called upon to pay ten cents for the registration of a letter.

Mr. LEMIEUX: If the minister will allow me before he replies, I should like to complete a statement I made a moment ago regarding the reorganization of the department under the direction of the German-American firm. I forgot to mention that we have, from the Government themselves, the admission that very important reductions in the expenditure can be made through the inspection which will take place and which probably might render it unnecessary to impose a new tax on the people of Canada. This is what the Government states in this report:

The Company is of the opinion, and the Committee—

That is, the Committee of the Privy Council.

—sees no reason for disagreeing therewith, that commencing the reorganization of these two departments, savings will begin to be realized gradually after two or three months of work, which, in the end, in respect to the Post Office Department, may well reach many hundreds of thousands of dollars per year, with proportionate savings in the Customs Department, and the Committee believes that based upon the results already obtained, and the expenditure already made in respect to the classification of the whole Civil Service and the reorganization of the one branch which has now been nearly completed, it is wise, if not imperative, that the work should be carried on and the benefits extended gradually to the other Departments.

I am not passing judgment on the advisability of entrusting the reorganization of the department to foreigners. I am not discussing that phase of the question; that is another point altogether. But I say that the Government themselves admit that when this reorganization takes place under the direction of that firm hundreds of thousands of dollars per annum will be saved in the Post Office Department. If that result can be attained within a few months, as it is stated in the report of the Privy Council, why should we let the poor public pay in advance? My hon. friend should postpone this proposed taxation; and first of all, as charity begins at home, he should reduce expenditures, thus preventing the public of this country from paying for the follies of the department.

Mr. J. D. REID: I desire to say just a few words with reference to the expenditures in connection with the Post Office Department. I think the hon. member (Mr. Lemieux) is a little severe in his remarks concerning the Postmaster-General. He knows that the Post Office Department while under his administration had the same deputy minister and officials who now carry on its affairs; and as the work of any department is practically left in the hands of the officials, I cannot agree with him that there has been such a change as is suggested. I shall give two or three reasons why there has been an increase in the expenditure of the Post Office Department, as in other departments. My hon. friend knows that there has been a very large increase in wages to employees, and this is only as it should be. The employees were entitled to increases, which added materially to the cost of operation. In addition to that there have been many more rural routes established, and new mail trains put on that have added to the cost of the department. I mention these items to show that the increases have been entirely legitimate. The last year the hon. member administered the department there was an increase of expenditure of $2,000,000 which, as far as I can remember, was due largely to the establishment of rural mail routes. There is no doubt that that added a great deal to the cost of operation. Since the hon. member ceased to administer the department there was, I think, one increase to the railways for the cost of carrying mails. If I remember rightly, that was in 1912. But, even with that increase, the railways are losing money; for every mail car they haul represents a loss to the company. The railways have been urging very strongly for a still further increase for carrying mails, and the matter was up before the Railway Commission two or three years ago while the present Minister of Finance (Sir Henry Drayton) was chairman of that body. The commission at that time were of the opinion that a large increase should be granted, and there is no doubt in my mind that another increase will have to be given to the railways in the near future.



They are justly entitled to it. If it was left to the Railway Commissioners to decide they would certainly grant an increase, which would run into millions of dollars. When the war broke out there was a large increase in the cost of administration. The extra cent war tax, was put on to help pay war expenses, and it yielded to $5,000,000 or $6,000,000. The extra cent is kept on to help to pay the interest on the war debt. Five cents is added now for the purpose of the extra cost of carrying registered letters. In the United States they still receive a registration fee of ten cents.

Mr. MARCIL: The domestic rate there is reduced to two cents.

Mr. J. D. REID: The registration fee was raised to ten cents and that rate is still in force. It is true the postal rate has been reduced from three to two cents, but their financial situation is not the same as it is in Canada.

Mr. SINCLAIR (Guysborough): Was not the money all put into the post office fund and used for the purpose of running the post office? One of the complaints on the part of the public is that this one-cent tariff was put on for a war tax and that it was never used for war purposes. It was used for the post office.

Mr. J. D. REID: All these revenues are put into the consolidated revenue fund, the cost of the operation of the department is paid and the accounts go through the Auditor General's hands.

Mr. SINCLAIR (Guysborough): That is quite true but the consolidated revenue fund did not pay the war.

Mr. J. D. REID: The money from the Post Office Department went into the consolidated revenue fund, and if we had not put on that extra cent of war tax we would have had a deficit of at least $4,000,000 or $5,000,000. The annual statement, as read by the hon. member for Maisonneuve (Mr. Lemieux), was to the effect that the cost of administreing the department had increased.

Mr. LEMIEUX: More than doubled.

Mr. J. D. REID: The hon. member for Guysborough can see that if we had not had this $4,000,000 or $5,000,000 we would not have had sufficient money for the operation of the department.

Mr. PEDLOW: There is another matter to which I wish to call the attention of the minister and that is the sale of postage stamps for inland revenue purposes. I understand the proceeds from the sale of these stamps is credited to the Post Office Department, whereas the stamps are used for inland revenue purposes. I raised that point a year ago and the minister in charge of the Bill assured me that the money would be credited to inland revenue during the year. Does the Post Office Department receive credit for the sale of postage stamps that are used for inland revenue purposes?

Mr. J. D. REID: I remember that some one—perhaps it was the hon. gentleman—asked last year why we should not have a separate stamp for inland revenue purposes. The answer was that it would be very inconvenient in outlying districts if you had to have one stamp for the inland revenue tax and a different one for postage. The Postmaster General and his staff have stated that it is absolutely impossible to keep them separate or to say how much has been paid for inland revenue purposes and how much has been paid for post office.

Mr. PEDLOW: Is the minister in charge of the Bill (Mr. Burrell) in a position to give us any idea how the division is made or if there is any division made at all? The Minister of Railways has stated that it is impossible to keep the two accounts separate, but I must inform the committee that they are kept entirely separate in Great Britain. It is not legal there to use a postage stamp for inland revenue purposes. They have a method of keeping these two accounts separate. The Minister of Customs, in fairness to the Department of Customs and the public, should let the public know to what extent they are contributing through this medium of taxation to the finances of the country. As the matter stands it is impossible to tell. I have asked the question frequently both on the floor of the House and from deputy ministers of departments and they are unable to give me any information. If these two accounts were kept entirely separate we would be able to tell just what the Post Office and Inland Revenue Departments are costing the country.

Mr. BURRELL: I am not at all sure that I can give my hon. friend the information he wants, because it is a postage stamp that is used. I could give him the figures in regard to the inland revenue stamps, but in regard to postage stamps that the public are allowed to use for inland revenue purposes, it would be impossible to tell where the division comes. I would be very glad, when we come to the Inland Revenue Estimates to give him the figures of the inland revenue stamps. We know it is a great convenience to the public to allow them to use postage stamps. I suppose the system was established for that purpose and as a matter of public convenience.

Mr. PEDLOW: Is the committee to understand that the entire receipts from the sale of postage stamps are all credited to the Post Office Department and are used to defray the cost of carrying on that department?

Mr. BURRELL: They all go to the credit of the Receiver General, I presume, through the Post Office Department.

Mr. PEDLOW: Then it follows that the Post Office Department gets credit for a large amount of money from the sale of postage stamps that it is no tentitled to.

Mr. BURRELL: Yes, I think there is no doubt something in what my hon. friend says. My hon. friend from Bonaventure (Mr. Marcil) asked me in regard to the figures.

Mr. MARCIL: The figures of the registration division.

Mr. BURRELL: I gave them the other night when the resolutions were being considered. At all events I said that the total revenue was about half a million dollars and the total cost of administration about three-quarters of a million and will be more this year on account of the great increase in salaries and so on.

Mr. MARCIL: Has there been any increase in remuneration to the country postmasters at all?

Mr. BURRELL: I believe that is under consideration at the present time. This legislation will incidentally affect the country postmasters; it will give them more revenue because their salaries are based on the business done.

Mr. LALOR: Is the commission paid the postmasters with respect to registration stamps the same as in other cases?

Mr. BURRELL: The same commission.

Mr. LEMIEUX: Has the minister nothing to say about the firm to which reference has been made?

Mr. BURRELL: Well, I cannot tell my hon. friend much about the firm. I think it is a branch of the same firm that has done work in connection with the reorganization of the Bureau, and they have been selected upon the advice and recommendation of the Civil Service Commission. I have watched their work very closely, and I do not think my hon. friend is perhaps quite fair to them. They are no doubt men of great business efficiency and have made a special study of these matters. I think anybody who has watched the work done in the reorganization of the Bureau will probably admit that it has been put in a businesslike condition that will mean an immense annual saving to the country, and with probably just as efficient results as regards production. Whatever my hon. friend may say about the Post Office Department, I do not think there is a man in this House—and I can say this certainly from a non-partisan standpoint—but will admit that the introduction of modern methods of business into a department of Government here or elsewhere would accomplish a great deal. But it is difficult work and may arouse a lot of friction. I am not going to pronounce on this particular firm except to say that those who have had the opportunity of judging their work and who have read the report of the Civil Service Commission believe that they are well equipped for such duties, and will render good service to the public and to the country.

Mr. A. R. McMASTER (Brome) (Translation): Mr. Chairman, we have to-night a very sad spectacle. The postmaster is not here in this House, he is in the Senate, and we have no opportunity to examine his budget, or rather his bill. We have an amiable gentleman, who does not know much about the matter before the House, and he is in difficulties; he calls out for help, and the minister who shoulders the largest deficit answers his call. But he is again in difficulties and then comes another member of the Government, a gentleman with a cunning smile, who gives his precious help to both of his colleagues; but the three of them, who may be compared to the Musketeers so much talked of in the novels of Victor Hugo——

Mr. LAPOINTE: Alexandre Dumas.

Mr. McMASTER: Well, Alexandre Dumas, they do not see the difference. These three gentlemen together are not worth one member from Gaspé and Maisonneuve, when he was minister of the department.

Mr. LEMIEUX: Apart from the fact that it has been stated in this memorandum from the Privy Council that there are 24,000 employees in the Post Office Department and that very material reductions should be made within a very short time thus saving several hundred thousand dollars. I wish to call the attention of my hon. friend —who I know is British-born and must stand by British parliamentary precedents —to the fact that if there is one thing for which I have great regard, if there is anything for which I admire the British people, it is their love for free parliamentary institutions. I say that this is a very serious departure from parliamentary government, from responsible government. The ministers are responsible to Parliament and Parliament is responsible to the people. Now you are departing absolutely from the old time-honoured principle that the ministers shall direct their own departments, and for the administration of those departments will be responsible to Parliament itself. Now the ministers will remain idle, will eat the bread of idleness, and they will shift their work to commissions. If the commissions appointed were even British or Canadian I would object, but not so strenuously as I do object when I see these super-loyal ministers of the Crown in the Unionist Government shifting their task to German-American firms. I say it is a great blot on the Canadian escutcheon, it is a great stricture on parliamentary traditions, to thus shift your work onto foreign commissions and get them to investigate your departments. But apart from the parliamentary and traditional point of view, how is it that the Govern-

ment in their new departure, have first selected the Post Office Department for investigation? Is that not clear evidence that there is "something rotten in the state of Denmark"? Is there not in that very fact, and the bringing in of German-American firms, to first investigate the Post Office Department, evidence that the ministers who, since 1911, have been the presiding and responsible heads of that department have failed, and lamentably failed, in their duty? I leave it to you Mr. Chairman: Will you believe that any minister in the Post Office Department could defend the doubling, and more than doubling, of the expenditure in the department as compared with a time when we had a better service? Although it is very sad to have to impose new forms of taxation upon the public, I am rather pleased to find that whereas under a straight Liberal Government we had a surplus, notwithstanding a reduction of postal taxation under the Tory-Unionist Government, despite an increase of taxation, there is a deficit. The comparison need not be elaborated, I leave it at that. My only regret is that the smiling minister is here to bear the white man's burden. But there is no white man in the case I am sorry to say; there are many niggers on the fence in the department, from what I know. I am only sorry my hon. friend is here in this House bearing the burden of another minister who has not yet once given this House the benefit of his experience as Postmaster General. Since 1911 no Postmaster General has given an account of his stewardship; yet to-night we have this spectacle: three ministers of the Crown cannot explain the serious gap which exists as between the figures of 1911 and 1920. Yet the people of the country are being subjected to increased taxation.

Mr. BURRELL: I do not think I ought to let pass without comment my hon. friend's remark about the placing of ministerial responsibility in the hands of somebody who is not responsible. As I understand it, the Government are just as responsible in connection with any work which this firm may do in the matter of reorganization as they would be if it were being done through their own deputies or their own officers.

Mr. LEMIEUX: With this difference: that you pay $10,000 a month for that work, while ministers of the Crown are paid by the State to do it, and they have 24,000 employees in the department to carry out their instructions.

Mr. BURRELL: My hon. friend is skipping the point. The extent of parliamentary responsibility is exactly the same in the one case as in the other. My hon. friend may cherish his own opinion as to the value of the work in question, but the point of parliamentary responsibility is there just the same. My hon. friend says that I am bearing somebody else's burden. Well, I suppose we all have to bear one another's burdens; it is part of our work in life. But I wish to point out, as my hon. friend seems to be fearfully distressed about the Postmaster General being in the Senate, that during the fifteen years that the Liberal administration was in power there were times when no less than thre ministers were members of the Senate. At different times, under the administration of Sir Wilfrid Laurier and in prior administrations, members of the Government holding the port folios of Agriculture, Trade and Commerce, Justice, and I think, one or two others, were in the Senate. That question also may be arguable, but I do not think my hon. friend should press it too far. Of course, if he wants to move for the abolition of the Senate, that is another matter.

Mr. STEIN: May I inquire whether these experts will try their hand at the re-organization of the Union Government as well?

Mr. CAHILL: The minister said that he expected great saving in the Post Office Department as a result of this re-organization. In what way does he expect to bring about that saving?

Mr. BURRELL: I do not think my hon. friend can reasonably expect me to go into the details of a scheme that has practically not yet been worked out. But to put it in a broad way, I would say that throughout all government departments, in this country as well as in the United States, and possibly in England, there do grow up under all our political systems accretions to the public service that are not altogether based on efficiency. We know what has happened in the past, and in that respect we need not place the blame upon one party more than another. All sorts of men and women have been placed in the service; some are kept on that should not be kept on; the equipment is not always kept up-to-date or as a modern business house would keep its equiment. Then there are such matters as methods of arrangement in regard to the department itself, actual physical facilities, and that kind of thing. All these matters are open to improvement in modern offices with modern methods. I do not think my hon.

friend would expect me to say what particular lines the re-organization will take.

Mr. CANNON: I suggest to the minister that he advise his colleague, the Postmaster General, to remain in Ottawa instead of going into constituencies where there are by-elections, and thus save money to the country. In 1917 there was a by-election in my county. A gentleman by the name of Hon. Mr. Sevigny was running. The present Postmaster General came down and as a colleague of the minister who represents him to-night he opened no less than three post offices the day before polling took place. No wonder we have deficits in the Post Office Department. Everybody knows that the minister is and always has been absolutely incompetent; he never showed competency anywhere. If the Government want to bring about real reform in the Civil Service they ought to substitute someone else for the present Postmaster General. He represents nobody. He was defeated in two counties in the province of Quebec, losing his deposit in both; yet he is imposed upon us by this Government as representative of our province in the Cabinet. We do not want it. He cannot stay in the House because he cannot secure election, but through a bargain that everybody knows of he has been appointed to the Senate. How can the people of Canada have confidence in a department administered by such a minister? The burden of representing him on this occasion is on my hon. friend (Mr. Burrell); he feels it and we all feel it and that is why we sympathize with him. The hon. gentleman says: let us increase the fee for registration of mail matter before economizing in the department. Always the same method, Mr. Chairman,—let the ordinary, common people pay for the extravagance of the head of the department. There is an economy which suggests itself to everybody—remove the minister himself and save $7,000 which he does not earn. The Postmaster General of Canada to-day has absolutely nothing to do in the direction of the Post Office Department. When a strike takes place in Vancouver, Winnipeg or Toronto it is the President of the Council (Mr. Rowell) who settles those strikes—or unsettles them, or it is the Minister of the Interior (Mr. Meighen) who goes to Winnipeg in that connection. The Postmaster General does nothing. Why is he there? Cut out his salary and save $7,000; remove him from the Senate and save another $2,500, and close the useless post offices which were opened everywhere. Cancel the contracts at exorbitant prices which were given to friends by the Government of the day, Have an auction of those famous padlocks, the contract for which was given to my hon. friend as an inheritance by the Hon. Mr. Pelletier. As the minister may see, many reforms could be effected in the Post Office Department. Why impose new taxes? Why ask the people to pay more when it is so easy to reform and economise in other ways? We, of the Opposition, do not hold these three ministers responsible; they do not know anything about the department. If it takes three ministers in this House to defend the Postmaster General, I am not surprised that the Postmaster General is satisfied to remain in the Senate and not to come here himself. But the people of Canada will not be satisfied with any legislation introduced to increase the burden of taxation existing at present, when the department is not administered in a satisfactory way and by a minister who is responsible to the people, but is administered by a minister who, as I said, represents absolutely nothing.

Mr. McKENZIE: The Post Office Department, if a registered letter is lost, reimburses the loss to the extent of $20 or $25. That was the case when the ordinary registration fee of five cents was charged. Now that a man has to pay ten cents, will he have any guarantee as to larger sums sent through the mail?

Mr. BURRELL: The present practice is to make good a loss up to $25. My hon. friend is asking whether there would be a greater amount guaranteed if the rate is increased to ten cents. The amount would be left the same as it is to-day.

Mr. CAHILL: The Minister of Railways (Mr. J. D. Reid), in speaking on this subject rather intimated that the loading up of the department was due to the deputy minister of the department and his officials. The minister in charge of the Bill (Mr Burrell) softened that a little by saying that it was the custom during Tory Governments to overload the departments. Which of the ministers are we to take as the authority and to believe, on this subject? Does the fault in regard to this overmanning of the department lie with the minister in charge or with the officials?

Mr. BURRELL: In the first place, I did not understand the Minister of Railways to refer to the loading up of the department. I understood him to say that the largely in-

creased expenditures were due to necessary increases of expenses everywhere, such as railway rates, steamship rates, equipment, wages, salaries and son on. During the war I suppose the expense was pretty heavy because, speaking from memory, I think something like 2,000—there may have been more—post office employees went to the war who, under an arrangement which was made when they enlisted, were paid, not only the pay of their rank, but their salaries. All those things contributed to the increased expense. I think we would all probably agree that every department could be carried on with fewer employees if it were brought up thoroughly to modern business requirements. I am not casting the blame for that on one side or the other. It is manifest to everyone that this state of affairs exists to a greater or less extent. We would all welcome an improvement, and there is no necessity of making a party question out of the matter.

Mr. CAHILL: That is not an answer to my question. Does the minister say that the minister in charge is responsible for the increase in the number of employees, or are the officials of the department responsible? The Minister of Railways intimated that we had the same set of officials and the administration was the same now as it had been in the past. The Minister of Customs (Mr. Burrell) in charge of the Bill, intimates that the department has been overmanned to some extent, and that the Government are appointing a commission to see if they can reduce the staff? Of the two, who is responsible? Does the Government say that the minister is responsible for the overmanning of the department, or are the officials responsible?

Mr. BURRELL: Answering that in a broad way and speaking for myself, I would say that I would not increase my staff unless it were shown to me by my responsible officials that employees were needed for a special purpose; or if a department launching out into new avenues of work, if it were clearly shown that we required more employees. I think the question could be answered generally in that way.

Mr. PEDLOW: Would it be possible for the Civil Service Commission to deal with the reorganization of the department without employing outside help? The members of the Civil Service Commission, no doubt, have had a certain amount of experience during the time they have been in charge of reclassification, and if they are the capable men I presume they are, with the knowledge they have gained during the time they have been in control of these matters, I would say, as a man of some experience in handling employees, that these men should be capable of dealing with the situation without bringing in outside help. That would save the expense of bringing in these men from another country to investigate the working and operations of our departments; and to say the least, in my judgment, it is inadvisable to put these foreigners, as they are, in possession of facts and inside information regarding the operations of various departments of the Civil Service of this country. If the Civil Service Commission are not capable of dealing with the situation, we should be able to find in Canada men who are capable of conducting that investigation.

Mr. BURRELL: I think my hon. friend would see that with the number of civil servants in Canada—and I should say the number was not less than 50,000 or 60,000 in all services—and with the work that falls on the Civil Service Commission at the present time, it would be impossible for them to go personally into details of organization of different departments. My hon. friend would only have to visit the Civil Service Commission for a day or so and see their work to realise that. As I understand the matter, although this question would probably be better dealt with on the Estimates of the department, this firm would go into the matter with the co-operation of certain officials selected in the various departments, so that the work would be one of co-operation.

Mr. PEDLOW: Does the minister think it advisable to bring from a foreign country men to inquire into a matter of this character when no doubt they will obtain regarding the operation of various departments information which I do not think the Government should allow to be in the possession of any men from a foreign country?

Mr. BURRELL: The commission were authorised to engage such expert services as they could secure to do this work of organisation that they have been doing during the last year or so, and especially the work of reorganizing the Printing Bureau. On that authorisation they secured the best experts they could find; they made a recommendation to the Government, and the Government thought fit to accept their recommendation.

Mr. FRIPP: Earlier in the session I took upon myself to express my views in regard to the appointment of this Arthur Young Company in connection with the re-classification of the Civil Service. At that time I thought I had made it plain that the services which this firm and their employees were rendering to this Government and the country were very much over-estimated. It seems that the Government does not take the advice of those like myself who have some special knowledge of these matters, but has undertaken to re-employ a certain section of the same firm employed on that re-classification. I submit that it is impossible to discuss the item before the Chair without also discussing the remedy which the Government proposes to put into effect, namely, a supposed or contemplated reduction in the expenditure of the department by reason of this reorganization. I desire to place myself on record as of the opinion that the employment of these gentlemen is absolutely unjustifiable and cannot be defended either in this House or outside. The apparent reason for it is a supposed saving in the reorganization of the Printing Bureau. Now it is ludicrous to any one who understands the real inside working of the Printing Bureau to hear the President of the Privy Council say, as he did in a speech delivered a short time ago in this House, that the splendid work done by these gentlemen in the Printing Bureau was going to save this country—I think he said had already saved this country—$400,000. Why, that is a myth, an absolute myth. If you take into consideration the value of the machinery which these gentlemen have despoiled and the expensive machinery which they have ordered, and add up the cost you will find that instead of there being a saving to this country there will be a loss at the end of twelve months. I have had occasion to interview some practical men employed in the Bureau and they tell me that the statement I have made is absolutely correct. It seems to me the Government ought to call a halt on employing men of the calibre of Mr. Wolff, who is the boss in charge at the Printing Bureau at the present time, and who does not take his orders from this Government or from any officials of this Government. It was only the other day, I am informed on very creditable authority, that a minister gave an order for certain work to be performed outside the Bureau and this German-American, Mr. Wolff, when it was brought to his attention, very arrogantly expressed the opinion that he did not take his orders from the minister of that department or anybody else, that he was in charge of the work at the Printing Bureau. Yet it is proposed by this Government to continue the services of these gentlemen, at $10,000 a month or more—

Mr. LEMIEUX: Plus expenses.

Mr. FRIPP: —to do what the head of the department ought to be able to do himself. If the Deputy Postmaster General, after his twenty-odd years in the department, is not in a position to reorganize it and reduce the staff, if there are more employees than are required, he ought not to hold that office. Why is it necessary to bring in some American gentleman to reorganize a department in which we have an officer who ought to be better acquainted with its workings than any outsider could possibly be in twelve months? It cannot be justified, and I would not be doing justice to myself nor to the constituency that I have the honour to represent if I did not say so. I know perhaps as well as, if not better than, most hon. gentlemen of this House the position of the Civil Service, whether it is overmanned or not, and I venture to say this: If the King's Printer, or the Assistant King's Printer, had been ordered by this Government to reorganize the Printing Bureau they would have reorganized it just as efficiently, if not more so, than these gentlemen did at an expenditure to this country of $200,000. The difficulty is the Government does not say to the heads of the different departments: We think you are overmanned and that you should reduce your staff. I venture to say that every deputy minister is just as anxious to have efficiency in his department as the Government is. I venture to say further that every deputy minister resents, and properly so, the bringing into their department of outside gentlemen, men who are not Canadian, and who say "John Smith is incompetent" and "William Jones is competent," without even consulting the deputy minister's opinion as to that particular person's ability to do his work. If our deputy ministers and the chiefs of their branches are not capable of reorganizing their respective departments and it is necessary to go outside, then I submit it is proper that some good Canadians just as well qualified as these American gentlemen should have been employed for that purpose.

The CHAIRMAN: The clause under consideration reads as follows:

Paragraph (k) of subsection one of section nine of the Post Office Act, Revised Statutes of

Canada, 1906, chapter sixty-six, as amended by chapter twenty-nine of the statutes of 1909, is amended by substituting the word "ten" for the word "five" in the seventh line thereof.

This clause provides for the increase of the rate on registered letters from 5 to 10 cents. Subsection 5 of Rule 13 says:

Speeches in Committee of the Whole must be strictly relevant to the item or clause under consideration.

In view of that rule, and the clause before the committee, I certainly must decide that any discussion concerning the reorganization of the public service at the Printing Bureau or elsewhere, or any contemplated reorganization of the public service is not in order. It may be argued by some hon. members that the entire Bill is a Bill to increase post office rates for the purpose of meeting a deficit and that the reorganization of the Post Office Department is germane to the issue. Even if this argument was correct the discussion could only take place when the principle of the Bill was being considered at the time of its second reading. The principle of the Bill has been adopted, and this debate is certainly not in order upon the consideration of any individual clause.

Mr. LEMIEUX: I do not wish, Mr. Chairman, to question your ruling, but it seems to me that when by means of a Bill a new from of taxation is proposed in one department, it is our right to demonstrate that by cutting down the expenditure in that department the taxation would not be necessary. That was the object of this discussion. We were not discussing the reorganization of the department, but have stated that the Department was being investigated, and that in the Order in Council appointing this firm it was stated that several hundreds of thousands of dollars would be saved by the reorganization of the Post Office Department which was overmanned. We were simply showing that there was inordinate expenditure in that department, and that the public should not be called upon to pay for the mal-administration of the Government.

The CHAIRMAN: I understand perfectly the nature of the discussion. My hon. friend would be quite right if this discussion had taken place on the second reading of the Bill when the principle of increased taxation in the Post Office Department was at issue. But it certainly is not in order when we are considering individual clauses of the Bill, when the speeches must be strictly relevant to the clause under consideration.

Mr. GLASS: In the earlier part of the evening the hon. member for Maisonneuve was drawing attention to the large increase in the expenditure of the Post Office Department, and pointing out that in his opinion this increase in the rate of registration was partly due to a desire to make up a deficit in the revenues of the Post Office Department. He also pointed out that the increase in the cost of administration of the department was not justified by the increase in our population. In my opinion it is not so much an increase in population as in the general business of the country that affects the expenditure of the department. We know that in the Dominion of Canada between the years my hon. friend mentioned, 1911 and the present time, the manufacturing products of this country increased from $1,500,000 to over $3,000,000. We also know by the deposits and general business of our banks that there has been an increase in the business of the country in that time of more than 100 per cent. That, of itself, would mean a large increase in the service and an increased cost. The Minister of Railways has pointed out some of the factors that enter into the increased cost of the administration, one of which is the development of the rural mail service. The hon. member for Maisonneuve (Mr. Lemieux) stated justly that he instituted this service in Canada, but I submit that when he resigned the administration of the department this service was a very insignificant branch of the Post Office Department compared with that which exists to-day. Apart from that, the large increase in wages, which have more than doubled since his time, would necessarily account to a great extent for the general increase. No one expects, and we have not looked for, a large revenue or profit from the administration of this department. It is a public utility which is administered to a large extent at a loss. I question if there is a solitary rural mail service in the country, the revenues derived from which are sufficient to pay for the cost of that particular route. There is a loss all through. I wish to point out to the committee a fact which, in my opinion, has a great significance. Let us take the United States with its large population. I have before me the figures in connection with the cost of the administration of the Post Office Department of the United States

from the time of the Civil War down to 1913. The whole total of the revenues from 1866 to 1913 amounted to $3,775,000,000, and the total cost of operation in that time amounted to $4,555,000,000. Now, Mr. Chairman, in that time that country with its immense population, and a greater opportunity for making a profit in this connection if a profit were possible—during a great part of the time I have mentioned they collected a three-cent instead of a two-cent rate—sustained a loss in the administration of the Post Office Department of $800,000,000. Let us study the subject somewhat closely. I shall take the period from the year 1884 to 1913. Mark you, in 1884 the population of the United States was approximating ninety millions and in the last decade a hundred millions. But notwithstanding this, during the thirty years immediately preceding 1913 the total deficit in the administration of the Post Office Department in the United States amounted to $210,000,000. Now, Sir, let me take the year 1909—

The CHAIRMAN: Order. I must call the hon. member's attention to the ruling of the Chair given just a few moments ago, to the effect that the debate must be relevant to the clause under consideration. The hon. member is making a speech which would be perfectly in order upon the Post Office Estimates but which is not in order under the clause of the Bill now before the committee. I have no desire abruptly to interrupt the hon. member, and if he has the unanimous consent of the committee I have no objection to his concluding his remarks. I would, however, ask him to bring them to bear as nearly as possible upon the clause under consideration.

Mr. HAY: Is there to be an increase in postal rates on catalogues issued by wholesale houses and departmental stores?

Mr. BURRELL: That question does not properly come under the present clause, and perhaps my hon. friend will refer to it again. I may say in passing that the present rate covers catalogues fairly well; it is one cent for two ounces, or eight cents per pound.

Mr. SUTHERLAND: I would ask the minister if due consideration has been given to the fact that express companies are to-day doing a good deal of business formerly done by the Post Office Department. Will not this increase in registration have a tendency to assist the express companies in diverting more of the business from the Post Office Department to themselves? I know as a matter of fact that in a number of instances post offices have been closed in small centres where the rural mail has been fairly well covering the district, the express companies having taken over the business that was formerly done through the post office. Several of these offices, to my personal knowledge, contributed to the department several hundred dollars of revenue over and above all expenses. They have been closed and the express companies are now doing the business which they formerly did. I understand that thousands of offices have been closed in this way, and I would ask the minister if there is any information as to the losses that have been sustained or the prospective losses that will be sustained by this doubling of registration and the tendency which there will be to do business through express money orders.

Mr. BURRELL: My hon. friend knows that so far as the carrying of letters is concerned the Post Office Department is the only medium that can be employed. If I understand his question, it is whether, if this registration fee is increased, express companies will do business by transmitting money. I could not express an opinion on that question offhand, but I shall consider it.

Mr. HAY: In answer to the question I submitted a moment ago with regard to increased rates on catalogues, the minister said that this question would be more relevant under a clause which we shall reach later on. I notice that the only provision which this Bill contains is one respecting newspapers and periodicals, and I do not know that either newspapers or periodicals would include catalogues. Personally I do not think they would, and as this matter has a direct bearing on the clause under discussion, I think it is proper that the few remarks I have to make on the subject should be submitted at the present time. I feel personally that the increase from five to ten cents on registered letters is rather great. As this increase will fall largely on the poorer classes of the people I think we should make the rate a little bit lower than is provided for in the Bill. If the clause is not intended to cover catalogues, it would be well to have it so stated before we leave the clause.

Mr. BURRELL: This clause has nothing to do with catalogues. I have already

explained why it is thought desirable to increase the registration fee bringing it to exactly the same point that now obtains in the United States. I understand from the department that the present rate on catalogues is sufficiently high to fairly well cover the cost, it being eight cents a pound. In respect to what my hon friend says about the registration rate falling on the poorer people, the increased rate only falls on those who have money to send and the department has had no objection raised although this Bill has been printed for a long time.

Section agreed to.

On section 3—Rate on newspapers issued less frequently than monthly increased from 1 to 2 cents per pound; provision respecting circular area of 80 miles omitted; Postage rate on newspapers published oftener than once a week increased from ¾ to 1 cent on and after 1st January, 1921, and after 1st January, 1922 to 1½ cents:

Mr. STEELE: Before this clause carries, and I presume it will, I would like to offer a few remarks on the question of newspaper postage. We have had to-night a number of statements which I think have appealed to the members of the House and among others there was one made by the hon. member for Maisonneuve (Mr. Lemieux) that the public is "plastered with taxes". My experience would lead me to the conclusion that the biggest plaster that is placed on the public at the present day is the tax that the people are required to pay in order to give our daily newspapers almost free transportation through the mails. It is a plaster of such proportions that I find it requires about $3,500,000 a year to carry the daily papers of this country over and above the revenue derived from them. When we have such a plaster placed on the people I think we may well consider whether it should not be removed, and I presume the Government had in mind the removal of that plaster when they introduced this Bill.

The deficit, as I said, on account of the newspapers is enormous. At the present time it is nothing more nor less than a method of subsidizing the newspapers, a subsidy such as no other enterprise in the country enjoys. It is a subsidy which, to my mind, cannot be justified at the present day. The financial situation of the country cannot permit it to continue.

While the hon. member for Maisonneuve criticised the department for the increased cost of the administration of the department, the House—not the department—is on trial in considering this bill by which. The department proposes increasing the rate on second-class matter from ¼ cent a pound to 1 cent a pound. The House is on trial now because the House must decide whether that increase shall be made or not. If the House does not agree to increase the rate it must take the blame for continuing a very considerable portion of the present deficit in the Post Office Department.

In order that the House may more clearly understand what this means I want to give a few figures regarding some of the newspapers, because time will not permit me to take up all. I think it was the hon. member for Maisonneuve who, the other night, spoke of the newspapers being the medium for the conveyance of free thought. It occurs to me, after looking into this matter that what the newspapers are more concerned about than the carrying of free thought is free transportation, and in order to prove that and to let the House understand how much concerned they are in free transportation I propose giving some figures. I am going to refer to only a few papers in this statement, those of Montreal, Ottawa and Toronto.

I find that at the present time the Montreal Daily Star is paying into the Post Office Department for the carriage of that paper through the mails $24,086 per year. If they were paying 1½ cents which this Bill proposes levying on newspapers after January 1922, they would on their present circulation pay about $144,000 per year. No person claims that the cent and a half tax will pay the full cost of transmission of these papers through the mail. It will not nearly pay the cost of transmission. If the higher rates suggested in this Bill were in force the Montreal Star would at the present time be paying $144,000 instead of $24,000, or it would be paying nearly $120,000 more than it is. The country is subsidizing the Montreal Star to the extent of $120,000 a year for the despatch of their product through the mails and to their customers. Let us take another paper. The Montreal Gazette paid last year $1,739 for the carriage of their papers through the mail.

Mr. LEMIEUX: The best newspaper in Canada.

Mr. STEELE: Perhaps I can give some reasons why it should be, before I am through. If they were paying 1½ cents per pound they would pay on their present circulation about $11,250. Therefore the Montreal Gazette is being subsidized by the taxpayers of Canada at the present time

to the amount of about $9,500 a year for distributing their paper to their customers throughout the country. The Toronto Globe pays at the present time about $12,955 per year for the transmission of its papers through the mail. If it were paying at the rate of 1½ cents per pound it would require to pay in the neighbourhood of $75,000 per year. The Toronto Globe is being subsidized by the people of Canada to the extent of $62,000 a year for the distribution of its product to its customers. The Toronto Mail and Empire pays $7,577 into the postal revenues. If it were being charged at the rate of 1½ cents a pound it would require to pay in the neighbourhood of $57,000 per year. The Toronto Mail and Empire is being subsidized to the extent of almost $50,000 per year for the delivery of their product to their customers throughout the country.

Now we come down to the newspapers of the city of Ottawa, and I have difficulty in being exact on this matter because I find the amounts there are in three portions. The postal returns show the revenue derived from the Evening Journal, the revenue derived from the Evening Citizen, and then the revenue derived from the Citizen and Journal morning editions together. But assuming the morning editions are about equal in circulation my estimate gives this result: The Journal, both editions, pays now about $2,306. If it were paying at the rate of 1½ cents a pound it would have to pay $13-836 to the revenue of the country. The Ottawa Journal is being subsidized by the people of Canada to the extent of $11,500 a year. Then the Citizen—that paper which demands such uprightness, and honour and everything good in the public men of this country—what does it show? It pays $1,807 into the postal revenues. At the rate of 1½ cents pound it should have paid $10,844. The Citizen is subsidized to the extent each year of over $9,000. Now these are only a few of the papers.

Mr. RICHARDSON: What do you figure to be the cost of carrying this newspaper matter? A cent and a half a pound? Because you say these newspapers have been "subsidized" to that extent, and you base your calculations on the one and a half cent a pound. If that be the case, perhaps you are right.

Mr. STEELE: That is not nearly the cost. I am not in a position to state what the cost is, but I understand this 1½ cents per pound is proposed in order to meet, or approximately meet, the present deficit in carrying the daily newspapers. I do not think it is claimed that it even does that—

Mr. COCKSHUTT: Before the hon. gentleman leaves that question may I ask—

Mr. STEELE: —but as we all know, and as we have been told, it is going to be necessary to make new arrangements with the railway companies for the carriage of mails in the very near future which will entail probably several million dollars additional expenditure, and a very large portion of that should be charged up to the daily newspapers of this country because they form a very large proportion of the mail matter being carried. As I understand it they constitute about fifty-four per cent of the mail matter that is carried through the mails, and they only pay about one per cent of the revenue.

Mr. COCKSHUTT: Could the hon. gentleman give us the figures in connection with the transmission of the Grain Growers' Guide through the mails?

Mr. STEELE: No, I have not the figures for the Grain Growers' Guide.

Mr. REID (Mackenzie): It is too bad.

Mr. STEELE: I have no doubt it too is being carried at a loss to the Postal Department.

An hon. MEMBER: Shame!

Mr. STEELE: Now the argument is used—and it was adopted by
12 p.m. the member for Maisonneuve Mr. Lemieux)—that the newspapers perform a great service to the country. We are all willing to admit that they could perform a much greater service to the country than they are doing at the present time. I claim that to-day the contents of the press of Canada do not justify the taxing of the people of this country to the extent of between two and three or four million dollars to carry the products of those newspaper offices to the people in all parts of the Dominion who have subscribed to them. Now, you may think that is rather a bold statement, but I want to give you the opinion of another journal —which perhaps is in a better position than I am to judge in this matter. In the issue of the Financial Post published in Toronto on June 5th headed "Parliaments and the Press" there appeared an article relating to this subject, and although it is

somewhat lengthy I hope you will bear with me while I read it:

Parliaments and the Press.

There has for some time been a general complaint among members of our Legislatures over the unsatisfactory records of their doings that are given to the public in the daily newspapers. An antagonistic attitude has developed. This was openly voiced by the leaders in the Ontario Legislature last week. There is no doubt the newspapers are not doing full justice to the important questions or to the really valuable work done by the great majority of the members. In the old days every member who said anything worth while got a paragraph or more. Present day reporters are trained to look for the unusual, for the incidents that are likely to create thrills. Editorial comments to be popular must be critical. Space the big dailies used to have for the more serious problems is not now available. The higher cost and need to reduce expenses are likely to lead to further curtailment and the giving of the space to sensations that will sell the paper. This is unfortunate because at no time was it more important for the public to know of the real work that is being done by their elected representatives. Never before have the Governments and Legislatures in Ontario and Quebec, for example, done as much good, honest, constructive work. At Ottawa, where the writer has followed the Budget debates very closely for over 35 years, he can recall none in which the speeches showed a more conscientious desire to do what was in the national interests. But the country does not know this. It should, if our legislators are to be encouraged with the moral support they deserve.

* * * * * * * * * *

The Ontario Legislature proposes to grapple with the problems and it is well worth the consideration of the House of Commons and Senate. Perhaps the solution would be for the Legislatures to prepare, under the direction of a committee of all parties, an official synopsis of each day's proceedings. This should be brief, but complete. Dominion Governments have been very generous to the press. For many years they have given large subsidies to aid in developing a news service. Therefore they could not in decency refuse to publish these reports.

That is the opinion of the Financial Post.

Mr. RINFRET: Is that a weekly?

Mr. STEELE: Yes, a weekly.

Mr. RINFRET: Is the Financial Post affected by this regulation?

Mr. STEELE: Yes, it will be affected by this regulation. It will be effected the same as the others.

Mr. RINFRET: It does not come under paragraph 3, anyway.

Mr. STEELE: It does come under paragraph 2 of the clause.

Mr. McMASTER: May I ask a question of the hon. gentleman?

Mr. STEELE: Permit me to continue, thank you.

Those of us who read the newspapers know that the daily edition of almost every daily newspaper that I have named, and many others, is full of misleading articles regarding what is going on in this country. If those misleading articles were cut out it would reduce the cost to the country for carrying these newspapers through the mails. It would also reduce the demand for newsprint very materially and would effect economies in many other ways. We have noticed that in the papers, represented in the press gallery of this House, day after day during this session members of the House have been maligned, that the people of the country have been misled and deceived as to what is going on here; and with that taking place we are asked to come to the help of those newspapers, to subsidize them, and deliver their goods to all parts of the country practically free of cost. I doubt if this Parliament will agree to that; I know that the people of the country, if they had the facts before them, would not justify and would not support it. Newspapers—given every privilege that newspapers can be given—through their representatives in the press gallery, have adopted a new code of ethics. A few weeks ago they seemed to adopt this code: If we cannot get what we want in the House of Commons we will slam the members. That is a high code of ethics, is it not for the leading and important daily press of this country to adopt? They sacrifice truth to personal pique and personal vanity, and for that the representatives of the public and the people themselves have to suffer.

Some reference was made a little while ago to the Montreal Gazette as the best English newspaper in Canada. Let me point out what was said in an article published a few weeks ago in the Montreal Gazette about the members of this House, referring to that very popular topic in the Press Gallery during the present session, an increase in indemnity. The Montreal Gazette had an editorial in which occurred these sentences:

It may not be quite fair to stigmatize this rapacity as a game of grab—

That is the way the Montreal Gazette viewed what was supposed to be a demand for increased indemnity.

—yet it is repellent to morality that the representatives of the people should, without consultation of their masters, appropriate to themselves a larger proportion of the proceeds of the taxes they levy.

And so on. Well, how would the newspaper that characterizes as "rapacity" an alleged

demand for increase in indemnity characterize this? I find from a return that was brought down to the House this session that during the last five years the Montreal Gazette has received in advertising fees from the Government of Canada $30,764, and that it has received for printing from the Government of Canada during the same period $377,245. "Rapacity"? That is the way the press characterizes what is supposed to be a demand for reasonable indemnity; I have no words which will characterize this act on the part of a newspaper in receiving that amount from the public treasury of this country. "Repellent to morality"? I believe that will be the feeling the people will have and many members of this House will have when we see a paper which is receiving such enormous sums from the Government of Canada choosing to insult the representatives of the people as it has done; choosing to deceive the public as to what the representatives are doing; choosing to falsify the conduct of members and in every way endeavouring to give the people a false impression as to what members of this House are doing. Now the Gazette ends up this article with this sentence:

When the state of the public finances gives cause for grave concern.

Yet the public finances are considered sufficiently good to enable this country to subsidize the daily press to the extent of between three and four million dollars a year. Why, as I read those statements and remembered that the Ottawa Journal and the Ottawa Citizen were together subsidized to the extent of $20,000 a year I imagined that almost any other concern or any other individual who was carrying around in his pocket these days the sum of $20,000 of Government funds would very probably see worse things, when he was near to Hull, than round robins. That seems to be about the worst these papers could see under the conditions.

It is said that the newspapers cannot meet this increase at once. Well, it is my opinion that the newspapers should be put on the same basis as any other business institution. There is no business man, no professional man, no labouring man, no citizen of this country, who has not had to modify his methods and his business in order to suit changed conditions, and there is no more reason why the daily newspapers should not modify their business methods in order to meet this situation than there is why any other firm or individual should not do the same. The newspapers should not receive any favours; they should not be enabled to carry on their business without worry or annoyance on account of the country choosing to carry their papers free of cost. Either they must meet this deficit or the people of the country must do so. To my mind the newspapers ought to meet it.

Now, when I say this about the daily newspapers, I want to exclude from my remarks the small district dailies, which, I believe, are the best representatives of the daily press of Canada to-day. As I look over Western Ontario I see such papers as the St. Thomas Times, Brantford Expositor, Woodstock Sentinel Review, Stratford Herald, Stratford Beacon, Galt Reporter—

Mr. PROULX: London Advertiser.

Mr. STEELE:—and numerous others; these are the papers which, I believe, have been giving a sane lead to the people of Western Ontario during the past two or three years. They are not profiting to any great extent by this provision. While they will perhaps be able to save a little in postage, they are up against the competition of these larger papers which, on account of cheap rates of transmission through the mails are enabled to send their papers from Toronto and Hamilton into districts that should be left, and would largely otherwise be left, to these smaller daily papers. They send out their papers into these districts at comparatively low cost, distributing them through the post office and over the rural mail routes at practically no cost; and very frequently they cut their prices in order to undersell the local paper. Often they sell their papers in the outside towns at a lower rate than they sell them in the city of publication.

Then, I would exclude the weekly papers, which are referred to in this clause. I am glad that special consideration is being given to the small papers; I wish it were more liberal than it is. These papers are doing a community service, each in its own particular part of the country.

I think that the Government ought to modify this clause and instead of including daily newspapers, weekly papers, magazines and all such publications as second-class matter, there should be a special clause for magazines. If there is one class of publication more than another that is deserving of special consideration at this time it is the magazines that are endeavouring to obtain a foothold in order to give to the Canadian people at a reasonable

rate Canadian literature of a good type and characteristic of the Canadian spirit.

I was going to refer to the advertising in the newspapers. A very large portion of our daily newspapers is filled with advertising matter. We heard from the minister to-night that advertising catalogues and so on are charged eight cents a pound for carriage through the mails, whereas advertising matter that appears in our daily papers has been carried at the rate of one-quarter cent per pound. Under this Bill we propose to charge 1½ cents per pound. Now, why should advertising in the daily papers be carried at a lower rate than advertising which is contained in catalogues? Let me read what the Montreal Witness says about this:

> Far different it is with the thousands on thousands of tons of advertising stuff carried for the big city dailies absolutely free within a certain zone, and for a quarter cent per pound to vast spaces in which the bargain day sales and want advertisements are of no use.
>
> Here is a sheer waste—a crime against common sense and the cost of living as well as against our wasting forests, that ought to be penalized. The reading matter in newspapers may be classed as professional service rendered to the readers and treated on a non-commercial basis. The advertising has no such claim. It is as purely commercial as the distribution of hand-bills and catalogues.

Yet we carry that at a mere fraction of the rate which we charge on catalogues.

But I want to bring to the attention of the committee another aspect of this question as it relates to the daily newspapers of our country. In looking over the Literary Digest of last week, I came across this page advertisement. Hon. members know that the Literary Digest is an American magazine that circulates in this country to a very large extent. A full page advertisement in that issue of the Literary Digest contains the following: I will not read the whole; I will read certain extracts from it. Speaking of the amount of business done by Canada in the United States, the large amount of goods purchased there, it says:

> A country that buys $2,000,000 of U.S.A. goods per day should receive the earnest consideration of United States advertisers.
>
> And the best way to reach this market, actual and potential, is to advertise in the daily newspapers of Canada.
>
> The newspapers listed below represent the cream of Canadian dailies. They are the accepted medium of advertising. They go into almost every home. They are read by all who read. They cover Canada from coast to coast.
>
> Each, in its field, is the leader of Canadian thought and effort. These newspapers provide United States manufacturers with a means of putting their goods before people who are doing more business, saving more money, buying and selling more goods per capita than any other nation in the world.
>
> Write direct to the following newspapers, or ask your advertising agency for data concerning them.

Amongst these newspapers, I notice several of those that I have mentioned this evening, including the Gazette and Star of Montreal and the Citizen and Journal of Ottawa. Of course, one would expect to find the latter two in that class. What does this mean? It means that, at a time when there is a general desire amongst the people of Canada that Canadian goods should be bought by the Canadian people, this subsidized press of Canada is sending out to manufacturers and business men of the United States this appeal: Give us of your advertising; advertise your goods in our pages, that we may get you customers in Canada and thus encourage Canadians to buy American goods. This increases competition with Canadian-made goods; it tends to counteract the propaganda which is being put up in a splendid spirit by Canada at the present time to encourage the purchase of Canadian goods. And it is done for what purpose? It is done merely that these newspapers may increase their revenues, without any thought on their part as to what the result will be on Canada or the Canadian people, knowing that if they can add several pages of advertising matter to each issue, that will be carried through the mails at the expense of the Canadian people.

How does this compare with the action of the weekly papers that I spoke of? There is not, in Ontario at least, a weekly paper that will accept an advertisement of a departmental store in the city of Toronto. Perhaps that is too sweeping a statement. I have not full knowledge of that, but I know many weekly papers that continue to refuse large, well-paying advertisements from large departmental stores in Toronto. Why do they refuse those advertisments? They say: We are going to be loyal to our community; we are going to protect our business men against those advertisements; we are going to encourage our readers to buy goods at home. But these provincial dailies, with the subsidies which the people of Canada pay them, go out into the United States soliciting advertisements in order that they may encourage their readers to buy goods from American manufacturers and business men. There is no comparison to be made as regards the methods followed by these two classes of papers. For these reasons the smaller daily and weekly papers are entitled to consideration at the hands of Parliament.

Another matter that I wish to bring to the attention of the Government at this

time, just along this line, is the quantity of advertising matter that is contained in American magazines that come into this country. These American magazines circulate very largely in Canada. They are carried through the mails at a very cheap rate. They compete with our Canadian magazines. But that is not the end of the matter. They advertise American-made goods very largely, and these advertisements are carried through our mails at a very small rate. If these advertisements were put into the form of catalogues, they would be charged a duty of 15 cents per pound; but being in magazines, they are charged at a very low rate, I think, at the rate of second-class matter. I have recently looked over a few of these magazines and this is what I have found. In the Saturday Evening Post of May 22, there was a total of 196 pages, of which 119½ pages consisted of advertising matter. In the Ladies Home Journal for the month of May, there was a total of 228 pages, 131½ pages of which consisted of advertising matter. The American Magazine for the month of June contained a total of 280 pages, of which 167½ pages consisted of advertising matter. The Literary Digest of las week, June 12, contained 172 pages, of which 101½ pages were advertising matter. Yet, I say, we simple people of Canada,—for we are nothing else, if we allow this to continue,—are carrying these advertisements throughout our country at little or no cost to the publishers. We are inviting our people to patronize American manufacturers and business men, to buy American-made goods, and we are subsidizing the publishers of these papers in order to let us know about the excellent goods that are made on the other side of the line. That is absolutely inconsistent; it is not good Canadian business, and for that reason I am very glad that the Government purposes increasing the rates on our daily papers. In fact, I only regret that the rates are not higher than they are, and I hope the Government will take some steps by which our magazines will be put into a special class at as low a rate as is consistent with good business, and that steps will be taken to charge advertising matter, especially in American magazines, at a rate which will pay this country at least for the carriage of such material through our mails.

Mr. RINFRET: I will not undertake to reply to all the remarks of my hon. friend (Mr. Steele), for many reasons, one of them being that I agree with him in much of what he has said. But I disagree with him on other points, and there is one point I wish to make. I think the hon. member is very harsh when he speaks of newspaper men, especially the members of the Press Gallery. He seems to have a grudge against them. If my hon. friend will agree to meet them oftener, at meal hours, for instance, at the festal board of the restaurant, possibly he would know them better and would give them the merit they deserve. I have had the honour myself of being a member of the Press Gallery for many years, and I must tell my hon. friend that these gentlemen perform a very trying and hard work.

Mr. STEELE: In the days when the hon. gentleman was a member of the Press Gallery, I have no doubt his remarks were quite applicable.

Mr. RINFRET: My hon. friend may have his opinion about that, but I do not think there has been much change in the Press Gallery from that day, from what I can see when I come into contact with the members of the Press Gallery. I was just going to say that the work of the press man is very trying. They have very hard work to perform. They must be aware of everything that goes on. While my hon. friend is at liberty to devote himself to a study of this one question or some other in which he is as much interested, my former confreres in the Press Gallery must keep themselves in touch with everything that goes on and be here every day and every night. When the House adjourns and we are glad to go home, they must work for hours during the night reporting what we have said. Their reports possibly are not always perfect. When I or some other member speaks in this House and gets only a few lines in the press we may feel injured, but as far as I am concerned I am perfectly willing to rely upon the impartiality and the good will of the press men in the gallery, and I do not think that Parliament as a whole has any grudge against the newspaper men who perform that work.

As to the clause that is before us, I fully agree with the principle that newspapers should gradually be brought to the point where they will pay for the carriage of their product. My hon. friend mentioned the Montreal Gazette a moment ago as being "subsidized." I may say that the Montreal Gazette has taken a very clear stand on this question on different dates. I have here editorials from the Gazette of

the 20th and the 23rd of April, wherein it is clearly stated that the Gazette is in favour of an increase in this rate. I might also cite my own paper for which I write, "Le Canada," which has printed several editorials on this question and fully agrees that there should be an increase in the rate charged for postage. I shall not quote, because it is late and it is unnecessary to do so; I think the House will take my word without quoting. What we wish to point out is this: The increase provided for in this Bill is a very large one. The newspapers used to pay ¼ cent per pound, and they are now asked to pay at the rate of 1 cent per pound after the 1st of January, and at the rate of 1½ cents per pound at a later date. Mr. Chairman, I contend that that is going too fast. I have before me a summary of a letter that was addressed by the Canadian Daily Newspapers' Association to the Postmaster General, Hon. Mr. Blondin, on April 16, 1920. I regret that the Postmaster General is not present, but enough reference has been made to that. I shall merely summarize this summary. The Canadian Daily Newspapers' Association concede, as they say, at the outset the force of some of the arguments for an increase in second-class postal rates. It is recognized, they say, that since the present rate of one-fourth of a cent per pound has been established, there has been a substantial increase in the cost of handling second-class matter, just as in the cost of other services. But what they contend, and I think their contention is perfectly sound, is that no industry should be called upon suddenly to adjust itself to such a tremendous increase in costs, and that in any case no evidence has been submitted by the department that would at all justify a fourfold increase in the rate proposed for these zones.

Mr. CHAPLIN: The hon. gentleman does not contend for one moment, I suppose, that the rate proposed by the Government covers the cost of carriage?

Mr. RINFRET: I am merely dealing with the conditions as they exist to-day. The newspapers were paying one-fourth of a cent per pound. Their industry was on that basis, and now they are suddenly asked to contend with a price four times as high. I readily admit that the principle of an increase in the rate is sound. My personal opinion is that some at least of the papers in this country are too voluminous. I think that, for instance, the daily, which covers twenty-five or thirty pages a day is too voluminous. I think the information should be presented in a condensed form and that the advertising rates should be raised in such a way that the departmental stores, for instance, which obtain a full page of advertising at a certain price, should only get one-fourth or one-fifth of that space. I am not speaking as a newspaper man; I am simply giving my opinion as a member of this House. I think that the increase proposed here is too great and too sudden. This question has been open for a long while, and I have here a summary of the representations made in 1913. This question has been, not dealt with, but contemplated, for a great number of years, but nothing has so far been done by the Government.

Mr. CHAPLIN: Why did not the newspapers readjust their conditions during that period?

Mr. RINFRET: I think it was up to the Government to bring about an increase in a gradual way, but it has not done it. It has permitted the newspapers to go on on the former basis, and then when conditions are against the newspapers, when the prices of paper, wages, and everything else have gone up, the Government suddenly asks the newspapers to pay this tremendous increase. The hon. member (Mr. Steele) established that in the case of one paper the increase will be from $25,000 to $144,000. I have no special sympathy for the paper he mentioned, but I think everybody will admit that it is hardly fair to an industry to create such a change in conditions within such a short space of time. That is all I have to say to-night. I agree with the principle of this measure because it will have a tendency gradually to force the papers to condense their matter and to present their information in a more concise form. I think it is hardly fair to increase the rate to 1½ cents. I think the proposal made by the Newspapers Association that the increase in second-class postal rates should be only a flat rate of ½ cent to start with should be accepted by the Government, and I hope it will be.

Mr. REID (Mackenzie): I regret that the hon. member for South Perth (Mr. Steele) should have scored our press as hard as he has done to-night. Where would we be to-day without the press? Where would we get our news? My good friend from South Perth claims that the people of Canada have been compelled to pay a subsidy to the press. Well, I do not think it is our newspaper publishers that are to blame,

but rather the Government for not waking up sooner and raising the rates for the carriage of the newspapers.

With regard to the representatives of the press, sometimes, I suppose, they write articles that are intended to amuse a little, but we should look upon that as a passing joke, and not forget the serious side of their work. I am not a newspaper man, but I read newspapers; I could not get along very well without them. I have it on very good authority from newspaper publishers that they are not complaining of an increase in the rate but they do complain, and I think rightly so, that a sudden increase of 300 per cent is altogether too drastic. One of the newspaper publishers writes to me in part as follows:

> I think it will be a fair proposition to increase the postage at the present time from one-fourth of a cent per pound to one-half of a cent per pound, and next year, and every following year, make a similar increase until the Government has reached the place where they think they should be charging.

I think that is a very sound proposition. It would give our newspapers a chance to get in line and perhaps prevent many of them from being put out of business. If our newspapers and magazines and farm journals are called upon to pay this sudden increase of 300 per cent in transportation, it will add very considerably to their costs. As the hour is late I shall not detain the House further. I wish the minister to take this into consideration. I do not think this clause should be put through to-night. I think the contention of the newspaper publishers is a very fair one, that the rate should be increased from a quarter to half a cent, with a similar increase the next year and so on until we reach the point where it will pay us to carry newspapers through the mail.

Mr. RICHARDSON: I do not intend to occupy much of the time of the House at this late hour, but I want to refer to one or two points brought out by the hon. member for South Perth (Mr. Steele). One of the chief objections to his speech, in my judgment, was his constant reiteration of the statement that the Government has "subsidized" the newspapers of the country, and he seems to have been especially vituperative towards the daily papers. He has no words but those of kindness so far as the magazines and weekly press are concerned, and though he defends the daily press of his own province, he denounces the daily press of the country generally, as being exceedingly offensive to him. I must resent with great force the position in which he seeks to place the daily press as having been subsidized for many years by the Government. He must know, as every hon. gentleman knows, that the policy of a low postal rate was established twenty or thirty years ago by this Parliament. The Parliament of Canada recognized, as I believe most intelligent citizens recognize, that the press of the country has an important educative influence on the entire people; and that very important fact having been recognized, a low rate was extended to all newspapers for carrying them throughout the country. Now, if the newspapers had taken advantage of that low rate and charged a high price for the papers there might be some justification for the position which the hon. member for South Perth took this evening. But you, Mr. Chairman, as indeed all hon. members will bear witness that all these twenty or thirty years the newspapers have been distributed to the people at not one farthing above cost. Take these great daily papers which my hon. friend from South Perth denounces so strongly, and you will find that they have been distributed to the people for an amount varying from a dollar to two dollars a year;—and this for a daily paper. I can tell the hon. members of this House that for twenty-five years the paper over the destinies of which I preside was distributed to the people of Winnipeg city at their homes at 25 cents a month, practically one cent a paper. We delivered the papers and collected the money, and I may say incidentally that we lost a large sum in the collection, because it is a very difficult matter to collect. But that policy has prevailed for the last twenty or thirty years. The newspapers never make a dollar. I do not believe that to-day in the entire Dominion there is a single newspaper that is making a farthing out of the people. The newspaper people in Canada have always sought to deliver the papers to the people at cost, and that has been the invariable policy. Now, after that policy has been pursued all these years, adopted by successive governments as a great benefit to the people, it is now proposed to increase the rate, at one fell swoop, by 300 per cent now, and by 500 per cent a little later on. I appeal to hon. gentlemen, surely that is not a wise course to take. If you take it, then you say that the policy pursued for the last quarter of a century was a wrong one. And you must take this fact into consideration: Coincident with this threatened increase of 500 per cent, the newspapers are now up against an

increase in newsprint which will go into effect on the 1st of July, an increase that will pretty nearly treble the cost of the white paper on which the newspapers are printed. Five or six years ago we obtained paper at $40 a ton; on the 1st of July we expect to pay $120 a ton. Then there are other increases—wages have doubled within the last three or four years. If, on top of all that, this Parliament increases the postal rate as is proposed, by 300 per cent now and 500 per cent a little later on, where are we going to land? I appeal to hon. members to realize the hardship of the proposal. Such a policy if pursued may probably result in putting a large number of newspapers out of business. The newspaper must perforce pass the cost on to the customers, and you merely increase the high cost of living. If the newspaper is now obliged to take care of an increase in newsprint and to pay increased wages, and you add this additional 300 per cent, you increase the burden on them, and the Government and Parliament of this country will be sanctioning that increase. After all, let me repeat, the cost is always passed on to the consumer, and you are merely piling more and more on the horse until finally the burden will wreck the animal.

Mr. McMASTER: May I ask the hon. member a question? If the papers are being carried by the railways at a loss, then does not the consuming public of Canada pay indirectly through the deficits on the railway, or does not the railway company pay? Some one must make good the deficit.

Mr. RICHARDSON: Yes, and I do not take the position that the newspapers should not pay a fair proportion of the costs? and perhaps at some future time they may pay all the cost of carrying these newspapers throughout the country. But if you treble the cost at one time, then I say that you are instituting an unwise policy, denying the wisdom of the policy followed in this country for the last thirty years. I agree with my confrere from St. James (Mr. Rinfret) that the cost might be increased gradually. If you doubled it to-night by this Bill and instead of a quarter of a cent you made it half a cent, an increase of one hundred per cent, with a little later on an increase of fifty per cent, and so on, you would give the newspapers an opportunity to adjust their position. But if you pile on 300 per cent at one stroke then you will place the newspaper in a very precarious position.



An hon. MEMBER: You want to cut off the dog's tail by inches.

Mr. RICHARDSON: If the dog's tail must come off it is just as well to cut it off by inches. But I do not think you should cut it off behind the ears to-night. Just along that line I appeal to the hon. gentleman that he should not increase the rate beyond one hundred per cent. I propose to move, if I can find a seconder, that instead of increasing the rate to one cent a pound we increase it to half a cent a pound at present.

Mr. MORPHY: You would rather die of slow torture than be struck by lightning.

Mr. RICHARDSON: Exactly, I have no desire to be struck by lightning. For the life of me I cannot see why the weekly papers should go scot free. Is it the intention to allow the weekly papers within a certain zone to go free?

Mr. BURRELL: Yes.

Mr. RICHARDSON: Why discriminate if you are going to make an increase of three hundred per cent for the daily papers?

Mr. BURRELL: It is only the rural weeklies.

Mr. RICHARDSON: Even if it is only the rural weeklies, I think everybody should pay something. I do not believe in letting any portion of the press off scot free when you are going to penalize the daily press to the extent of three hundred per cent.

Mr. McMASTER: Did I understand the hon. gentleman to say that there are certain papers in the country that get their issues circulated for nothing?

Mr. RICHARDSON: Exactly. I just asked the minister in charge that question and he says that rural weeklies are to go absolutely free.

Mr. MORPHY: Does the hon. gentleman follow the practice of selling his paper cheaper away from Winnipeg than he does at home?

Mr. RICHARDSON: No; while a great many papers do that I have never adopted the practice. We charge as much away from home as we do at home. We equalize the price although a great many do not follow that practice.

Mr. MORPHY: Can the practice be justified?

Mr. RICHARDSON: I do not think it is justified; I have never approved of it myself.

Mr. CHAPLIN: Mr. Chairman, I wish to support the proposal of the minister as laid down in the Bill, that the newspapers of this country shall pay a cent a pound for the carriage of their papers through the mails. My only fault with the proposal of the minister is that it does not go far enough. I would go a little farther, but I am willing to vote for the proposition of the minister. The minister told us when introducing this resolution the other day, that the Dominion of Canada carried 87,000,000 pounds of newspapers during the past year and that the cost of carrying those newspapers was in the neighbourhood of $4,000,000 or $5,000,000, and for that service the Government was paid $291,000. These are figures that need to be thought about by this House before they talk about refusing the proposition made by the minister. I am not quite satisfied with the exact figures of the minister in respect to the cost of carrying this second-class mail matter. I wish to give the House some information from another source as to the cost of carrying second-class mail matter. I am going to quote two lines from a report on this subject made only last month to the United States Congress. The sentence is as follows:

> It is true that the department estimates that the handling and transporting this class of mail costs the Government an average of eight cents a pound, but it has not been the policy of the Government to charge a rate adequate to meet the cost.

If that is true, and I believe that our mail costs as much to carry as it costs in the United States, then our mail costs eight cents a pound to deliver and it costs this country to deliver these 87,000,000 pounds of mail $6,960,000 a year, for which the newspapers have paid to the Government $291,000. Now they object to paying less than one-sixth of the actual cost of delivery. The hon. member for Maisonneuve the other night said that it was a shame to tax the newspapers. It is a fallacy to call this a tax. I disagree with my hon. friend from Springfield (Mr. Richardson) and absolutely call it the name that belongs to it; it is nothing more nor less than a subsidy. A subsidy is what it is, and this country is paying $6,000,000, in my judgment, for a service for which it now proposes charging the newspapers $1,000,000.

I want to view this matter in another light, and I want the hon. member for Springfield just to bear with me a minute and let me show how it affects some of the newspapers in the district from which he comes. There are in the provinces of Alberta and Saskatchewan some sixty newspapers large and small. These newspapers are required by the railways to pay $1.25 a hundredweight to take their unprinted paper into their teritory. And the Government have been delivering rival newspapers and leaving them at the door of the other man for a quarter of a cent a pound or 25 cents per hundred. I would ask the hon. member for Springfield if that is a fair deal. I do not think he will reply because I know he is too fair to say that it is. It is anything but fair.

The hon. member for Springfield told us in what a wonderful way the newspapers have been working and how he had worked hard and given something for nothing. I am glad to hear it, because we do not generally get something for nothing.

Those papers in Alberta, paying a $1.25 for their freight, and paying for their inks, are obliged to compete with newspapers delivered for twenty-five cents per hundredweight. That is something that should be considered as against the dollar now proposed by the Government.

There is another feature. The hon. member for Springfield told us that he was selling his newspaper below cost. That is one of my causes of complaint against him. The member for Maisonneuve (Mr. Lemieux) spoke to us the other night about dumping. One of my causes of complaint is the policy pursued by certain newspapers in respect to my own town. A newspaper in Hamilton sells in that city for $3.60 a year. The same newspaper, delivered practically free of charge by this Government, is sold to me in St. Catharines for $2 a year.

Mr. RICHARDSON: At the present time?

Mr. CHAPLIN: That is the latest information I have. At any rate that was the relative price, whether it is the price now or not. When that paper sold at $2 in St. Catharines it sold at $3.60 in Hamilton. That is correct. Now I do not think that is fair.

Mr. RICHARDSON: I do not think so.

Mr. CHAPLIN: Now I want to give a quotation in order to show hon. members that all the newspapers of Canada are not agreed on this matter. The member for Lethbridge (Mr. Buchanan) the other night told us of the meeting of the Press Association, and while I know he did not want to misinform the House still he led it to believe—and no doubt a great many of the members did believe—that the result of a meeting

which he attended represented the concensus of opinion of the whole of the newspapers of the country. But there is a difference of opinion on the matter, and I want to read something from a western paper, one that I received recently, regarding the postal rates, and this is it:

T. N. Miller of the Moose Jaw Times proposed, and L. Dalberthonson of Chauvin, Alta., seconded the following resolution, which was carried:

"Whereas the Post Office Department of Canada has under consideration an increase in the second class postal rates, and whereas it is shown that the present flat rate of ¼ cent per pound for newspapers and periodicals entails a serious annual loss to the department;

"Be it resolved that the Saskatchewan Division of the Canadian Press Association place itself on record as favouring an increase in postal rates on newspapers based on the cost of transportation and based on keeping in mind the relation between the rate on newspapers and periodicals and other second-class matter transported and distributed by the Post Office Department.

"Second, that in arriving at a rate for newspaper postage the principle of the zone system should be adopted as the most equitable basis, which principle was approved by resolution of the Canadian Press Association and Canadian Press, Limited, in 1913, and that equitable rates for the zones be fixed in order that newspapers in smaller communities shall not be subject to discriminating transportation and distribution charges favourable to publications in larger centres—a discrimination in rates that results in an annual deficit for the Post Office Department.

I now wish to quote a line or two from a newspaper nearer home to further show that the feeling is not all on one side on this matter, but that there is a difference of view among the newspapers in regard to it. The St. Catharines Standard, in its issue of March 4, 1920, states:

The smaller city dailies expect no favours from the Government, but they have a perfect and unassailable right to protest against a bonus being continued to newspapers in low postal rates costing the country millions of dollars annually and which works out to their own injury and ultimate destruction in many cases.

In the same editorial the Standard also says:

The Toronto papers are not ashamed to take advantage of this bonus to sell their papers at a lower price by mail, in competition with the smaller dailies, than they ask from any other class of their readers. The Globe, for instance, which preaches daily against customs tariffs and bounties, receives without protest or reproach a practical bonus from the country to assist it in its ruinous competition with the smaller city dailies.

Mr. McMASTER: What about the Mail and Empire?

Mr. CHAPLIN: The Mail and Empire is in exactly the same class.

An hon. MEMBER: Protection.

Mr. CHAPLIN: I am not mentioning the Mail and Empire, or the Globe, in particular. In this matter one is on the same footing as the other.

Mr. RICHARDSON: They preach different doctrines, though.

Mr. BELAND: Preaching your doctrine.

Mr. CHAPLIN: The other evening the member for Maisonneuve when the resolutions were introduced gave us a very entertaining speech, and among other expressions made allusion to the fact that the newspapers had been "carrying the torch." That very evening, 9th of June, I bought a Montreal Star—and I am not mentioning the Star because I have anything to say against it. It was a twenty-eight page paper, and contained nineteen and a half pages of advertisements. Now I ask this committee, is it a square deal to carry a newspaper containing nineteen and a half pages of advertisements for a quarter of a cent a pound, or even for the half-cent a pound, that somebody is magnanimous to offer the Government? Is it a square deal? It is so ridiculous that it is laughable.

Now as to the matter of readjustments. One hon. member down below told us—

Some hon. MEMBERS: Oh, oh.

Mr. BUREAU: Not from Hades, I hope?

Mr. CHAPLIN: I could speak of "an hon. gentleman angularly across the chamber," but that is too long an expression to use. I did not mean the expression that some hon. gentlemen by their laughter indicate that they know very well.

Mr. BUREAU: How do you yourself know?

Mr. CHAPLIN: I have this to say, because I do not want to take up any more time of the committee.

Some hon. MEMBERS: Go on.

Mr. CHAPLIN: I merely want to say that I hope the minister will not recede one particle from his original resolution. I am sorry to have to say that I will not support anything but the resolution nor any amendments of the kind that have been proposed.

Mr. ARMSTRONG (Lambton): I merely wish to call attention to the fact that paragraph 2 deals with local papers; and I was surprised indeed to hear the remarks of my good friend from Brome (Mr. McMaster) who seemed not to be aware that local papers in his own province had been car-

ried free of charge by the Post Office Department.

Mr. McMASTER: It should not be. It is unbusinesslike.

Mr. ARMSTRONG (Lambton): That may be so, but before I get through with what I have to say the hon. gentleman may change his mind, because, the local papers that are distributed in his district are most anxious to have that state of affairs continue.

Mr. McMASTER: I trust the hon. member will not imply that my view on a public question is going to be influenced by the effect it will have on a newspaper in my constituency. I hope not.

Mr. ARMSTRONG (Lambton): I have no doubt that is quite right so far as the hon. gentleman is concerned. I merely wish to call the attention of the committee to this fact. In 1918, we had 1,018 local weekly papers having a circulation of from 2,000 to 3,000 within a radius of forty to fifty miles. To-day we have 110 fewer of these newspapers. Conditions that have existed in these local districts have driven 110 out of existence. In the county of Lambton we had 15 local papers five years ago; 7 of these have gone out of existence. I do not need to tell hon. members what the local paper means to the district in which it is published; I have not time to tell them of the many advantages which result to the people, especially in the rural districts, through the circulation of these papers. My good friends who live in the western provinces will specially appreciate their value. In Prince Edward Island the local papers all have a circulation of over 2,000. The bulk of the local papers in practically all the eastern provinces have a circulation of over 2,000, and the same is true of the larger number of the papers in the province of Quebec. This clause limits free distribution to those local papers which have circulations of 1,000 or less. Practically all the local papers in the following towns in Ontario have a circulation of over 2,000: Cornwall, Renfrew, Pembroke, Picton, Oshawa, Petrolia, Arnprior, Dunnville, Amherstburg, Simcoe, Glencoe, Strathroy, Leamington, Barrie, Orillia, Walkerton, Tillsonburg, Acton, Grimsby, Paris, and I could name others. Practically all the papers in these towns have a circulation of between 2,000 and 2,500. I urge the minister to increase that figure of 1,000 to 2,500.

Just a word with regard to the magazines. The magazines and the weekly papers should receive different treatment from that accorded to the daily papers. The magazines are doing a splendid work in the education of our people along the lines of the development of science, industry, trade, and so on. I hope that the minister will take into consideration the advisability of placing them at least on the half-cent basis. Even that is an increase of one hundred per cent, but I believe it would be in the best interests of the people as a whole to place the magazines in that position. As to the dailies, I do not agree with hon. gentlemen who say that the last penny should be exacted from them in connection with the position that they are in to-day. I believe that we should increase gradually our demands on the dailies from year to year. The first increase that we make upon these dailies should not exceed three-quarters of a cent per pound, payable in 1921; subsequent increases could be made later. I hope that the minister will accede to the requests that I have made.

Mr. McMASTER: The principle that should guide us in dealing with this question is that the papers, no matter what their circulation or the area of their distribution, should all be obliged to pay a fair consideration for the public services which they use, and that they should be brought to that position as quickly as is compatible with giving them a fair chance, having in mind the fact that they are moving from an uneconomic condition to an economic condition. To my mind, to carry mail matter of any sort free is absolutely unbusinesslike and unreasonable. Everybody should pay, but as we are trying to mend an old-established condition we should mend it in such a way as not to work harm to these people, who have been the beneficiaries or, perhaps, the victims of the condition in the past.

Mr. THOMSON (Qu'Appelle): We have heard something about the necessity of making the newspapers pay carriage charges and about the necessity of having the increase in those charges imposed gradually. I think there is something to be said in favour of both suggestions. It might be well to make a more gradual increase than is provided for, though I think the increase is not so very abrupt as some people would make it appear. How would it do to make an immediate increase to one-half cent per pound and then make a further increase later, say January first, to three-quarters of a cent per pound?

Mr. ARMSTRONG (Lambton): The increase does not take effect until next January.

Mr. THOMSON (Qu'Appelle): I am satisfied with the suggestion that it begin next January, but the increase to one-half cent per pound might begin at once, the three-quarter cent rate become effective in January, and the rate be gradually brought up until we feel we are on safe ground. I cannot agree with my hon. friend (Mr. McMaster) that local papers should receive exactly the same treatment as the big dailies which are carried hundreds of thousands of miles.

Mr. McMASTER: I did not make any such statement; I said that they should pay a fair price in proportion to the public service of which they avail themselves.

Mr. THOMSON (Qu'Appelle): I accept my hon. friend's statement, although it is rather a reconstruction of what he said.

Mr. McMASTER: No, that is what I said.

The CHAIRMAN: The hon. member (Mr. L. Thomson) has not directly accepted the statement of the member for Brome (Mr. McMaster). I think it should be accepted absolutely.

Mr. THOMSON (Qu'Appelle): All right, I accept it. I had a letter from a newspaper man in a town of 1,000 inhabitants who was rather surprised to find that his paper had a circulation of over 1,000. He suggested that to limit that exemption to one thousand would be placing a premium on incompetence. If a newspaper in a little town of 1,000 inhabitants can have over 1,000 of a circulation, there is something in that objection. Either the suggestion of the hon. member for East Lambton (Mr. Armstrong) should be accepted and the number which will be exempted increased to 2,000 or 2,500—I am not suggesting what the number should be —or the first 1,000 should be exempted, if the matter can be arranged in that way, and then the newspapers should be allowed to pay whatever shall be agreed upon on the number over that 1,000. Either of those suggestions should be adopted by the minister, and it would be well also to adopt the suggestion which has been very generally made, that the increase in daily papers be a little more gradual.

Mr. BURRELL: It has, of course, been of value to listen to the discussion and the various suggestions expressed by members on both sides of the House, and I am not going to elaborate on any of those arguments. Before I move the amendment I am now going to move, I may say that since the Bill was published we have had views presented to this department from all parts of the country, and the department has given them all possible consideration with a view of doing what was right and just, so far as the department and officials concerned can see the whole question. First, to deal with subclause (2) of clause 3, the department recognised that it would perhaps be a hardship to limit that free circulation which I think was given first by Sir William Mulock, which, at least, has been given for a good many years, and to say to a paper that has a circulation of 1,500 or 2,000 or 2,100: You shall not enjoy that freedom at all. That would put a large number of struggling weekly papers in the country, doing a great deal of good, out of existence. Therefore, I am going to move an amendment along the line suggested by my hon friend (Mr. Armstrong). I move:

That subclause (2) of clause 3 be struck out and the following clause inserted in lieu thereof:

"Newspapers and periodicals published not more frequently than once a week in any city, town or village which has a population of not more than ten thousand persons—

That is instead of 5,000 as the subclause reads at present.

—shall be entitled to be transmitted by mail free of postage to the extent of a circulation of 2,500 copies per issue within a distance of forty miles from their place of publication.

I might say in reference to this, that the whole plan was designed to stop what was manifestly an abuse, namely, a free circulation of weekly newspapers of big cities, which newspapers were in a prosperous condition. A weekly newspaper published in a city like Montreal or Toronto could be despatched free within a radius of forty miles. In Toronto, a newspaper could choose the zone between Toronto and Hamilton and despatch absolutely free through Toronto and Hamilton the issue of a big weekly paper, thus imposing an unnecessary burden upon the country. I think this amendment will meet the situation very well.

Mr. RICHARDSON: What was the circulation before that was allowed?

Mr. BURRELL: No circulation was mentioned. The circulation in the Bill as printed is 1,000. It has been brought to the attention of the department that in various

cities in Ontario and some further East and elsewhere the circulation of a weekly newspaper may go to 2,000 or 2,500 or 3,000, and we thought that a weekly newspaper with a larger circulation could well afford to pay.

Mr. RICHARDSON: The minister has increased the limit of population of a village from 5,000 to 10,000?

Mr. BURRELL: Yes.

Mr. RICHARDSON: I do not like to oppose the minister's view, but that seems to be aggravating the former position. There have been expressed in this House views which have impressed me, to the effect that it is not fair that any publication whatever should get off absolutely free; that the transportation facilities of the country should be placed at their disposal without any charge whatever. Notwithstanding that, we find that the limit of population is increased from 5,000 to 10,000, and if a wrong existed before, this amendment, in my judgment, is increasing the wrong.

Mr. BURRELL: I do not think my hon. friend understands the situation. The question of population was never mentioned before. When this provision was inserted in the original Act, it was designed to help a number of the smaller rural papers of the country; but under the wording of the Act, any weekly newspaper, no matter whether it was published in a city of 500,000, would get free postage. This eliminates all that, and these papers which stand on a good footing and can well afford to pay, will have to pay, and even in smaller towns of 5,000 or 10,000 population, if weekly newspapers have a circulation of more than 2,500, they have to pay on that issue. It leaves the small weekly newspaper struggling along with the privileges it has always had.

Mr. McMASTER: There is supposed to be a principle upon which the public life of this country should be conducted, and that is: "Equal justice for all and special privileges for none." This amendment aggravates the viciousness of the proposal contained in the Bill. It is not right to subsidize a paper because it happens to be published in a city or town or village with a population under 10,000 and because it has a circulation of under 2,500. To do that means to say that A, in a town of say 9,000 conducting a paper with a circulation of 2,300 will get his paper carried for nothing, while B in the next town, which has a population of 12,000 publishing a newspaper with a circulation of 2,700 will have to pay the rate that other papers are paying. That is wrong in principle, and I protest against it, and I purpose voting against the amendment.

Mr. ARMSTRONG (East Lambton): My hon. friend (Mr. McMaster) has evidently never lived in a small town or he would not speak as he has done. These local papers are delivered free in that town and in the surrounding country to a very large extent. They are placed in the post office and simply handed out by the postmaster, or they are sent out to the rural routes for miles and miles around that little town. When the hon. gentleman talks about an expense on the Post Office Department, he is entirely wrong.

Mr. McMASTER: If the papers are carried by the rural route for miles and miles around the town, that costs the people of Canada something.

Mr. ARMSTRONG (East Lambton): All right.

Mr. NICHOLSON (Algoma): Following the principle laid down by my hon. friend (Mr. McMaster), if there be a principle involved, that all of these newspapers must pay for the service they are receiving—

Mr. McMASTER: That is the principle we should try to adopt.

Mr. NICHOLSON (Algoma) —then the large daily newspapers would have to pay, as the hon. member for Lincoln (Mr. Chaplin) has stated, six or seven cents a pound. If we are going to carry the principle to its logical conclusion and tax the paper that is carried forty miles and no further, what the service is worth, then we must go back and tax the paper that is carried 500 or 600 or 2,000 or 3,000 miles in proportion, and we shall have to work out a tariff rate just the same as you have for other commodities.

Mr. McMASTER: Why not?

Mr. NICHOLSON (Algoma): It is too late to go into that argument now; but we are dealing with the question when we are simply charging a daily paper a small portion of what it is costing to carry the daily paper. If we are going to let the daily paper off with five, or four, or three cents a pound on any quantity whatever when we are carrying it any distance from forty miles up to three thousand miles, surely it is fair to give some advantage to the weekly paper that is circulated within forty miles. On the larger question my own

opinion is that it is very doubtful whether the Parliament of Canada should undertake to create a tariff on newspapers through which the people of this country, particularly in the remote sections, get their ideas—whether correct or not I am not going to discuss—just the same as upon any other commodity. It is a question whether it is not in the interests of the people to make it easy for the newspapers to get into circulation. There is a limit beyond which you cannot go. As to the small newspaper, if we are going to make a concession to the larger newspaper such as this Bill proposes, surely the small newspaper is entitled to some concession, and you cannot give them any concession under the present proposal unless you give them the 40-mile zone the minister provides for in this Bill.

Mr. COCKSHUTT: This has been a very enlightening discussion indeed, and though the hour is getting early I think we are justified in spending a few more moments on it, although I shall not detain the House more than a few minutes. I agree for once with the hon. member for Brome (Mr. McMaster) —and I believe it is the first time I have the privilege of agreeing with any principle laid down by the hon. member in financial matters,—that every public service that is rendered by this Government, whether by the railways, ships, post office, telegraph, or telephone, if we own one, should at least be self-sustaining. I have made an appeal in this House on two or three occasions this session to have the railway rates, both passenger and freight, advanced, although it would mean a considerably increased expenditure to some concerns in which I am interested. I have made that appeal at least twice, but apparently it has fallen on deaf ears so far. I hope it may bear fruit some day. It has been generally contended here to-night that we are subsidizing the press of Canada to the amount of about $5,000,000 per annum. I have heard my friends opposite talk about a subsidized press in this country a good many times, and I always thought they were wrong when they used that word, but now after hearing what has been said to-night as to the way we are carrying the newspapers over this country I feel they are right. I do not like to offend my good friend from Springfield (Mr. Richardson), who is a newspaper man, but I think that in asking that this rate be only ½ cent he is asking for too much of a reduction.

Mr. RICHARDSON: What would you suggest?

Mr. COCKSHUTT: I think this advance should have gone into effect at least five years ago. We shall only be catching up a very small proportion of what we have lost in the last five or ten years. Notice is given that the new rates will not become operative until January next.

Mr. MORPHY: Make it retroactive.

Mr. COCKSHUTT: My friend suggests that the rate should be made retroactive. That would not please my hon. friend from Springfield and other hon. gentlemen. As a matter of ordinary business the rates should have been advanced long ago. There is no doubt that this country has lost almost a score of million dollars within the last few years through not changing the rate. We have taxed every conceivable thing lately, and for some of the taxes we pay we get no service at all. Take the luxury tax that has just been proposed, and the income tax. The money is taken but no service whatever is rendered. The same is true of the business tax. Now here we have a big service rendered at a price of not more than ten or fifteen per cent of its cost. Surely under those conditions it is not wise to ask that this Government should continue that rate for a moment longer than is necessary, although, of course, fair notice should be given to the press. Many of the newspapers are good friends of mine. I do not grumble about the press abusing me. I get "bouquets" sometimes, it is true; perhaps I deserve them; we have all to take our bumps. I have not got up in this House in the last five years to complain of anything the press has said of me, not even the Western press. Some of the criticisms come by letter and others by newspaper. That is all right. I let them pass.

I think the press does not always give the best education that it might give, but my views may be wrong. I do not like the unsigned editorial; I never did. A good many people read an editorial and think that is public opinion. It is not public opinion at all. It is the opinion of one man, and he is often paid to write a certain class of article which would often be very different if he were writing his own views. It is only the opinion of one man, and he may not be the best class of man even at that.

There is one point that has not been brought out, and as to which I should like the minister to give me some information. I want to know if the minister has taken into account the amount we get from the American newspaper that is published over the border and that circulates in vast num-

bers through our part of the country? What proportion of the postage on American papers coming into Canada goes into the coffers of the people of Canada? I see some of my friends shaking their heads. I suppose we get it all, then. The papers from Buffalo come into our town very freely. I presume they pay a very low rate in Buffalo. I want to know from the minister how much of that revenue that is paid to the United States postal department comes into the coffers of the Canadian Government. I think it will be found that we are carrying American newspapers on our side of the line and making delivery of them at rates that we are denying to our own Canadian papers. If that is so, it is a false situation, and some corrective means should be found. I suppose the answer will be that we are in a postal union with the United States, and that they make a collection on their side and possibly pay us a small amount. I do not know whether the minister is paying attention to this question, but I would ask him what portion of the postage on American papers coming into Canada goes into the coffers of our Post Office Department?

Mr. BURRELL: None of it, I am informed, unless they happen to be re-mailed in Canada. It is the same with our papers on the other side of the line.

Mr. RICHARDSON: I have sat quiet for the last three or four weeks when the Budget proposals were being discussed, so I am going to talk for a few minutes now. I regret that we have not heard from the hon. member for Shelburne and Queen's (Mr. Fielding) on this question. He is a distinguished journalist and a man of very wide experience, and I would sit as one at the feet of Gamaliel if he were to speak on this question.

Mr. McMASTER: Would you profit as much as did the apostle?

Mr. RICHARDSON: Seeing that it is not the hon. member for Brome, I think I would derive some profit. I did not quite appreciate a remark that the minister made with regard to these weekly papers. He justified the carrying of these papers free at public expense on the ground that they did a great deal of good. I think that remark tends to discriminate against the daily paper. I hesitate to spring into the field in defence of the daily paper, but I want to say as a journalist of some experience, if the weekly paper does a great deal of good, what about the great daily newspaper? One hon. gentleman says they do a great deal of harm. I do not think so. A great modern daily newspaper, with the news of the world dished up in acceptable form, and with those features that appeal to different classes of the public, its family section, its illustrations, and its funny pictures, and so forth, must perforce be of vast benefit to the people of this country, and we have many such great dailies in Canada. I do not wish to plead this case unduly, but it does seem to me that the argument in favour of a gradual increase is one that the minister ought not to resist. I think that in time—it need not be too long—the newspapers perhaps should pay the cost of transportation, but to press the whole burden on them at once seems to me to be an unwise proceeding.

Before I sit down I want to say, after listening to the debates for the last few weeks, that all this talk about taxation, and taxation, and taxation, has been getting on my nerves; and it does seem to me that after having imposed taxation on pretty nearly everything we eat and wear it will undoubtedly perplex and irritate a great section of the country if undue taxation is now placed upon the newspapers.

Mr. DuTREMBLAY: It seems to me that the increase proposed is too sudden. Newspapers have been subscribed for for a year or two at a certain rate,—$3 or $3.60 per annum, as the case may be, dependent on what they have to pay to the Government for transmission. Besides increased wages the newspapers have to contend now with an increase in the price of newsprint; I understand that the cost of paper is more than double what it was at the outbreak of the war, and the newspapers were certainly not contemplating such a drastic proposal as this. To ask them to pay an increase from a quarter of a cent to a cent is, I think, unfair, and the Government should show some sense of justice in this matter; I do not think they are justified in taking the people by the throat, and as the newspapers have no means of increasing their rates so far as subscriptions already taken in are concerned, this increase will mean a big loss to those papers. I think, therefore, that the minister would do well to consider the representations that have been made by those hon. members who have advocated a moderate course. A few moments ago I listened to the remarks of the hon. member for Brantford (Mr. Cockshutt). Whenever there is a question of tariff under consideration

that hon. gentleman is always anxious that we should go slow, and I am sure that if the newspaper business were near his heart he would ask the Government to go slow and slower.

Mr. FIELDING: The hon. member for Springfield (Mr. Richardson) having been kind enough to refer to me, I feel it incumbent on me to say something on the subject, although I do not feel justified at this late hour in making any extended remarks in regard to the usefulness of the press. Where an established privilege has been granted in the past, even though improvidently, any drastic change is always objectionable. I agree that the newspapers should contribute more liberally than they have done in the past to the revenue of the country, in view of the many claims which are now being made on the public treasury; and I concur with the minister in his desire to get extra revenue. But I think he should obtain that revenue by gradual means and not by any precipitate measure. That, briefly, is the view I wish to express on this subject.

Mr. BURRELL: I move that after the word "week" in the twenty-seventh line of clause 3, subclause (3) the following words be inserted:

—and the newspapers and periodicals described in the immediately preceding subsection upon any copies in excess of the circulation of 2,500 copies.

I move to amend the clause further by striking out the words "one cent" in the twenty-eighth line and substituting the words "three quarters of a cent." In reference to this second amendment, I have listened carefully to the arguments advanced on both sides of the House to-night, and I may say that the department has had during the last two or three weeks an enormous number of representations on the subject. Views have been expressed from all sources along various lines, and although I still believe that the principle of trying to get the people to pay for public service is right, I am prepared to make a concession. However, in spite of the protests that have been made by the press that they should not be compelled to pay more than half a cent a pound at this time, so that they may adjust themselves at a later date to a higher figure, I do not think that they should continue at the present rate of a quarter of a cent; nor should we accept the suggestion of half a cent. The least we ought to accept is three-quarters of a cent, which is a compromise that might at all events be fairly satisfactory to those who hold strong views on either side of the question. At present they are paying a quarter of a cent, and this will make them pay three-quarters, and we propose to leave in the Bill the provision as it stands to make this double on the first of January, 1922. Whatever burden this may be on the people, and however much we may sympathize with the condition in regard to the shortage of newsprint, I think it will be conceded that this proposal is a fair compromise.

Mr. STEELE: When we realize how much the country is contributing for the transmission of papers through the mail, it seems to me that it is not unreasonable to ask that the newspapers should pay one cent a pound, because that does not come near to meeting the cost of their transmission. I appreciate all that has been said in regard to the difficulties which the newspapers are up against. Every one of us has encountered such difficulties. I have had to contend with difficulties in my business, and I think that every man in this House has had to do the same. But we have had to adjust our business to changed conditions, and I see no reason why an exception should be made of newspapers at the present time. I do not think that the amendment should carry.

Amendments agreed to.

Section as amended agreed to.

On section 4—Certain letters and other mailable matter to be free of postage.

Mr. BURRELL: I move that section 4 be amended by substituting for the new section 75 as printed in the Bill the following:

75. All letters and other mailable matter sent, at the seat of government, by the Governor General, by any minister, by any department of the Government, by the office of the Auditor General, or by the Librarians of Parliament, shall be free of Canada postage under such regulations as are from time to time made in that respect by the Governor in Council; and the provisions of any other statute inconsistent with the provisions of this Act, or conferring on any person or body greater powers of sending or having sent mailable matter free of postage than are conferred by this Act, shall be hereafter construed as conferring on such person or body no other or greater privileges than are conferred by this Act upon the persons and departments hereinbefore named.

Some bodies, like the Railway Commission, Civil Service Commission and Soldiers' Settlement Board have been given special powers with regard to the franking

privilege greater than are given under this section. As the section read they would have had greater franking privileges given them than are given by this Bill. This really means that boards and commissions which have been given the statutory authority to use the franking privilege shall have no greater powers than are conferred by this Act.

Mr. FIELDING: Why not set them forth as you do the others?

Mr. BURRELL: This was gone into by the Parliamentary Counsel and he has given it a great deal of thought.

Mr. FIELDING: This is a mysterious thing. The ordinary wayfaring man will not know who is entitled to the franking privilege. I think we ought to know. I do not see why each of these departments should not be mentioned. Why should not the public know who has the franking privilege?

Mr. BURRELL: I do not know that there will be any disadvantage in it and there may be some advantage. Of course they are all given this privilege by statute.

Mr. FIELDING: I cannot see why one department is mentioned and the other is not. I cannot understand the logic of it.

Mr. CURRIE: Is there any department struck off that has the franking privilege?

Mr. BURRELL: No.

Mr. CURRIE: This will not make any change in any department?

Mr. BURRELL: No, it leaves those who by statute enjoy the franking privilege in the same position.

Mr. CURRIE: The Railway Commission now has the franking privilege and right here I want to register an objection. The Railway Commission publishes a lot of schedules from time to time and it is most difficult to keep track of those schedules. With this privilege which you give them the Railway Commission should publish all their schedules in the Canada Gazette. Great difficulty is experienced by shippers in getting railway schedules. Having the franking privilege the commission should see that the schedules are sent to all shippers. Unless you send for a schedule you do not know what the rate is and you usually have to wait for a month to get it.

Mr. BUREAU: Will the Civil Service Commission be included?

[Mr. Burrell.]

Mr. BURRELL: If it has the statutory authority, and I imagine it has.

Mr. FIELDING: Why should there be any doubt about it? Why should not any man taking this up know who has the franking privilege and who has not?

Mr. BURRELL: Section 75 of the old Act provides that:

> All letters and all other mailable matter addressed to or sent by the Governor General shall be free of Canada postage under such regulations—

And so on. This clause as it reads now is:

> All letters and other mailable matter sent by the Governor General or by any minister or department of the Government—

And so on. Neither the previous Act nor this Act deals with departments. This includes the departments of the Government and it does not mention the names of other bodies that have the franking privilege because that privilege is granted to them by special statute. It only refers to other bodies incidentally and says that if the provisions of any other statute are inconsistent with this Act they will not get any greater privileges than they enjoy under this Act. The Soldiers' Settlement Board, for instance, had by statute been given franking privileges which applied not only to sending stuff out but bringing stuff in. This says that matter shall not come into the department free whereas the statute says that it shall be sent out and shall come in. We say they shall be given no greater powers than are given to the department. They are only referred to incidentally.

Mr. McMASTER: Is it not patent to the minister how convenient it would be for any person who is examining into the question of what persons have the franking privilege to be able to have all the departments and all the persons entitled to the franking privilege named in one section. That should be done.

Mr. DOHERTY: I might point this out as an objection to the method suggested: If we proceeded by endeavouring to insert in this clause all the bodies who by special statute have the franking privilege and if we happened to omit one of those, that one will continue to have the greater privilege that it now has; that is, the privilege of not only sending out this material under its frank but of having come free everything that is addressed to it. The purpose of referring to other bodies who have by special statute this privilege is simply to cut down that greater privilege which under the statute they have as the franking privilege

heretofore dealt with in the Post Office Act is being cut down under this section. We might to-day try to cover any bodies that have it but supposing that to-morrow a new commission is created and granted the franking privilege, under the statute that creates it we will have to begin over again. We run the risk that if we should overlook anybody having the statutory franking privilege that body will go on having the double privilege of receiving as well as sending out this mail matter free.

Mr. FIELDING: Why should we overlook them? Surely the Post Office authorities can make a list of the persons who are now entitled to the franking privilege. Why should we pass this on the assumption that we do not know who they are?

Mr. DOHERTY: I am not prepared to dispute that there might, or might not be, an advantage in doing it, but is it not fair to point out that we have got along up to the present with this system of having specified bodies in the Post Office Act and then co-existent with them providing that certain bodies who—because they were created since the enactment of the last Post Office Act could not be included in it—should have the franking privilege by a certain statute? I am not going to dispute that there might be some advantage in what the hon. gentleman suggests, but I doubt whether it is so great an advantage that we should suspend our dealing with this Bill for the sole benefit of the convenience there might be in getting a complete list, which list at the next session may cease to be complete because some other body may be given the franking privilege in the statute that creates it. Every time we granted the franking privilege to every newly constituted body or to any existing body we would have to renew the Post Office Act.

Mr. FIELDING: Why not?

Mr. BUREAU: We would have to amend it under the present section according to what the minister says. But in this proposed section we say:

—and the provisions of any other statute inconsistent with the provisions of this Act, or conferring any greater powers of sending or having sent mailable matter free of postage than are conferred by this Act, are hereby repealed.

That would not apply to any future statutes.

Mr. CURRIE: There is a much more important principle involved in this clause which is being overlooked by hon. gentlemen, and that is the clause which deprives the members of the Commons of the privilege of writing to the departments free of postage during the recess of the House. Any member who is in close touch with his constituents will find that it will average him a dollar and a half or two dollars a week in postage for his letters, unless he is a lawyer and makes some charge to the people who come to him and ask for his services. But every other member who does not enjoy that privilege—

Mr. BUREAU: Makes a bigger charge.

Mr. CURRIE:—has to serve the public for nothing. Having done that, and having served the public in his capacity as member, I think it is only right that the old privilege be continued to him of being able to write to the department on departmental business free of postage. I do not think any member wants to go down into his pocket to the extent of from one to two dollars a week for this purpose, and I think the department is very narrow in proposing to take away such a right.

Mr. BELAND: Do I understand that the privilege heretofore enjoyed by people outside, of sending mailable matter to a Government department is abolished? Would that mean, for instance, that the farmers of Canada could not communicate with the Department of Agriculture?

2 a.m. Mr. BURRELL: Not without paying postage.

Mr. BELAND: They will have to pay postage? That is a real hardship.

Mr. J. D. REID: Why?

Mr. BELAND: It has been understood that all the information that was supplied to the farming community would be supplied free of charge.

Mr. BURRELL: It is supplied free of charge.

Mr. BELAND: I see no reason in the world why this privilege should be done away with.

Mr. BURRELL: He will have to pay the ordinary rate of postage when he writes asking for information. If he writes, for instance, for a bulletin or something that is of value in connection with farming, it will cost him three cents to make that application. There has been an enormous mass of stuff coming into the department quite unnecessarily. Such information as the ordinary man wants he would not object to paying three cents for. He will get his

bulletins free, but he is asked to pay postage upon his letters. My hon. friend can understand that if the door were opened unduly you might as well throw open the whole business and let everybody in.

Mr. BELAND: I think the Department of Agriculture from this date on should cease to boast of the service it is rendering to the farming community.

Mr. BURRELL: It renders service free.

Mr. FIELDING: On matter that is going out.

Mr. BELAND: That is not a privilege to the farmer, that is a privilege to the Government to enable them to communicate with the farmer.

Mr. MORPHY: I wish to ask the minister if the franking privilege is cut off from the member who, when he is at home during a recess, wishes to write to a minister at Ottawa.

Mr. CURRIE: Sure.

Mr. MORPHY: Just wait a minute, I want the say-so of the minister, not of the hon. member for North Simcoe. Could a member write on official business to a minister or to any of the departments as he heretofore has had the right to do without postage? Is that franking privilege cut off, and if so I have a word or two to say about it.

Mr. BURRELL: Yes, I understand it is cut off by the provisions of this Bill. Of course, a member does not have the franking privilege unless he is in Ottawa during the session. Nobody under the Bill could write to a minister, or write to a department, without paying postage. I suppose it might be a little difficult to say that members should not have the franking privilege outside of Ottawa as far as regards letters sent to the department.

Mr. MORPHY: That is to say that if the minister—

Mr. BURRELL: The minister would have to stamp his letter too.

Mr. MORPHY: That is to say, this peculiar anomaly is created—that a minister of the Crown, desiring to avail himself of the services of a member of Parliament in a constituency, when writing a letter to that member can frank it, but the member who, for the benefit of the minister, runs about his constituency, goes to a lot of trouble and—because I apprehend soon that stationery will be cut off if this thing goes on—uses his own stationery, his own envelopes and paper, when replying (action taken by him to oblige the country and the minister), will have to put his hand in his pocket and pay the necessary postage, to the extent which may be involved in sending a large number of papers. The minister's request may involve the sending of a large number of books; it may even involve sending a large number of records that are in the custody of the member and that would be of great value to the Government. Fifty cents or a dollar's worth of postage may be the result of the request, whereas the minister at Ottawa is not touched by this provision, as I understand it, when sending out letters on official business. But the poor member, who has to do the drudging work to oblige the minister, is forced to pay postage. I am not making an argument in a pecuniary sense, but I think it is holding a member of Parliament too cheap to take away the privilege he has heretofore enjoyed. I think it is belittling to the average member from a country constituency, who may have many vicissitudes that ministers do not know about, to put him in the position of cutting off something that has been highly valuable to his constituents, and that has not cost the Government of this country anything. Actually the Government, which to-night in a Bill has taken care of the large newspapers so as to cut down the small portion of cost that they have to pay, is willing to reduce members to the position of not being worthy of the continuance of the privilege which has been enjoyed by members from time immemorial in all British Parliaments, and has cut that privilege off without good reason. I do not appreciate that, nor do I appreciate what else is in this Bill. Why should a member who has had the privilege of franking be compelled to have his full signature placed upon the envelope? Why should he be compelled if he makes a mistake to pay a penalty of $300? This Bill carries with it an insult to the members of this House. It carries with it the assumption that hon. members are not going to be honourable members but are going to take a petty advantage of the Government; are going to steal a postage stamp or do something contrary to the provisions of what I would call this autocratic belittling and altogether unworthy Bill brought in under the pretense of raising money. But under this same Bill the big newspaper interests have had a benefit involving hun-

dreds of thousands of dollars handed out to them by the reduction of the rate of postage. I am getting pretty nearly tired of that sort of thing in this House and it is about time somebody spoke out plainly.

Mr. FIELDING: I am quite sure that the minister's intentions in this matter are excellent, but I think he is trying to do too much. I really do not think there is any need of this legislation respecting the franking privilege. All privileges of that character are liable at times to be abused, but if some particular forms of the privilege have been abused the minister can put some check upon it. While I do not agree with the very strong language used by my hon. friend (Mr. Morphy)—because I am always very moderate in my expressions—in substance I think his grievance is well stated, and I strongly urge the minister not to pass this legislation.

Mr. BURRELL: I am aware that a subject of this kind involves some difficulty and raises, perhaps, some misapprehensions. I do not think it was in the mind of the Postmaster-General—certainly it was not in the mind of the Government—to cast any slur on members. The provision was really designed to protect members against others, because there is no use in disguising the fact that the franking privilege has been abused in this country as it has been in the Old Country, where radical measures have been taken to check the abuse. Where a man has had the franking privilege, his friends and his friends' friends have come in by the dozen to frank all sorts of correspondence.

Mr. MORPHY: Does the minister allege that members of this House have been guilty of such offences?

Mr. BURRELL: I think that practically every one of us has been more or less guilty of these things.

Mr. BUREAU: Not guilty.

Mr. BURRELL: I gave an instance the other day where hundreds of pounds of mail were put in with the frank of Sir Hector Langevin.

Mr. BUREAU: That was an old Tory regime.

Mr. BURRELL: Well, I think nobody is free from it. However, as there seems to be some controversy about the matter, and as it might be well that the department should have an opportunity of giving it further consideration, we will let it stand for the present.

Mr. COCKSHUTT: May I ask the minister whether he thinks it is wise to allow members to use a facsimile of their signature? Because there is where the danger comes in, to a far greater extent than where a man initials the envelope. His initials are a well known mark at the post office here. If we get facsimile signatures printed in the form of a rubber stamp they might fall into the hands of somebody over night and the very abuse that the minister is trying to prevent would be magnified a thousand-fold. I have been here for nearly four months this year and I have not been asked to frank a single letter for anybody, outside of my own public correspondence. I do not think that the privilege is abused by the members. I agree a great deal with what my hon. friend (Mr. Morphy) has said. Moreover, the man who would forge a member's initials or use them wrongfully would do the same with the whole signature. I cannot see that the department is gaining anything by requiring that the full signature be used. In fact, it is more or less of a reflection upon the honour of members, a suggestion that they are going to take advantage of the department in that way. We are all anxious to see the department put on a paying basis, but I do think this is cheeseparing of a very poor class indeed. When a member is doing business for his constituents and doing it free of charge,— as he always does, I believe,— to ask him to pay postage upon the correspondence involved is certainly not in line with good government and not in line with the member doing what he should do for his constituents. I hope that the minister, in reconsidering the Bill, will re-mould it in such a way that it will be more satisfactory. If he does, the country will lose very little, —indeed, may gain a great deal. I hope the amendments that have been suggested will be incorporated in the Bill before it is adopted.

Mr. McMASTER: It seems to me that these words in the Bill are far too narrow:

> Provided that such letters relate wholly to the affairs of such member of the Senate or of the House of Commons of Canada.

If I sit down and write to a friend concerning matters not personal to myself at all, I would not have the privilege of franking that letter. Surely that is not the intention.

Mr. BUREAU: You will have to show your letter to the censor.

Mr. McMASTER: Suppose I write a letter to a friend not in a personal way, but, let us say, a letter of sympathy. Am I not to have the right to frank that letter while the House is sitting?

Mr. CURRIE: I think that this proposed amendment arises largely through the fact that Ottawa tailors have been in the habit of sending circulars to members, and that was offensive to officials in the post office; they do not want to distribute these letters to the members. That is something that should not be allowed, the sending of these circulars.

Mr. MORPHY: Circulars? Or duns?

Mr. CURRIE: Why should we lose the franking privilege because tailors send circulars to us? So far as the franking privilege is concerned, my frank has been used without my authority. I do not think that there is a member who has been here for some years whose frank in the old days was not sometimes used without his authority. But the department is watchful and does not allow these things to go through. The fact that someone happens to say: "Well, I will put this member's frank on two or three letters and shove them into the post office," should not cause the member in question to lose his franking privilege. Then, the privilege of franking with the stamp is a very important one. I know a member who has to answer anywhere from thirty to one hundred letters a day. He dictates the letters to a stenographer; she writes them out and brings them to him; he reads them and signs them and the rest of the operation is carried out by the stenographer; she seals the envelopes and franks them with the rubber stamp. Are we going to ask that man to sit down and write his name on every envelope? No argument has been brought forward in this House to-night or before that convinces me that there is any necessity for a change in the Act in that regard. If these clauses are inserted, they are inserted because some officials of the Post Office Department are narrowing themselves down, and they want to soak the members. There are ways by which the members can get even with the Post Office officials if that be necessary. Why should the aspersion contained in this clause be cast upon members? This clause goes out to the public; it has been discussed here; it has been discussed before, and the impression that the public from one end of the country to the other has received from this, is that members are sending bags of potatoes and their underclothing and their laundry home to be washed; that there is nothing around the House that they are not picking up, such as red hot stoves and everything else, and shipping them off by mail.

Mr. BUREAU: What about the Mace?

Mr. CURRIE: What can you expect but that public men will rise in their places throughout the country and cast insults at members of this House when clauses like this are inserted in a Bill casting an aspersion on members? These amendments are an insult to members, and this is all being done under the guise of economy. How much economy will it achieve? It will achieve very little economy, and it is putting the members and everybody else to a great deal of trouble. I can remember the time when seed peas, seed grain and all that sort of thing were shipped out to the West under a frank, but those days are past. Ministers, from time to time, have narrowed down those privileges, and I think every hon. member at present in the House can hold up his hands and say that he has not been guilty of any such action as implied. The least said about these clauses, the better; we should not hear any more about them. Let the old clauses stand, and let the thing be settled once and for all. A member must have his frank. The time has come when a member must send out the eloquent speeches of the ministers. Bundles of these are being sent to the rooms of members; in fact, this morning I saw about 1,000 of them in my room for me to send out. Long ago ministers used to have them mailed themselves, but now the custom is to send 1,000 to each member and he has to get a stenographer to place them in envelopes. It takes a member a long time to put his signature on these envelopes. We must have a little common sense and stop trying to make big people out of ourselves by trying to cut off the privileges we have. The privileges of members of Parliament are the dearest and most precious things we have. I heard only a few weeks ago of a judge on the bench saying that the privileges of a member or senator were nowhere. That is altogether wrong. This is the highest court in the realm. No judge on the Supreme Court bench of Canada has the authority, power or privilege of a member of Parliament, because this is the first court of the whole realm. Why, then, should we be casting aspersions at ourselves or at any member? Let us have our quarrels and political fights in this House; but as regards the privileges, rights and honour of members of Parliament, both sides

of this House should stand together on the issue.

Mr. RICHARDSON: I would suggest to the minister that he should drop the clause and finish the Bill, because every hon. member is entirely opposed to this clause.

Mr. BURRELL: I think the hon. member for Brome (Mr. McMaster) raised the point that a member could not frank his own mail unless it related to public affairs. That is not so. He can frank mail relating to any of his affairs. The provision contained in this Bill is that you cannot mail other people's letters. The old section read "letters sent by members," and under that section, as I read it, a member could gather in a dozen or more letters from his friends, and he was perfectly entitled to frank them. We are not casting aspersions. An hon. member can frank all his private correspondence.

Mr. BUREAU: How are you going to control that?

Mr. CURRIE: You must not frank your wife's letters.

Mr. BURRELL: I do not think there will be any trouble about that. As regards the signature, my understanding is that the facsimile would apply only to all mailable matter, except letters. My hon. friend suggests that I should do away with the whole clause. The matter would be different if this were my own Bill; but it is the Bill of a responsible minister, a Bill that has been considered by the Government, and it would not be wise nor proper for me to wipe out this clause and let the Bill go through. I would prefer to move that the committee rise and report progress.

Mr. MORPHY: We have sat here until half-past two o'clock in the morning to consider a Bill that is not particularly pressing, and it seems to me as though there is a motive in sitting so long, that these things should slip through. I object decidedly to letting these clauses go through either now or at any other time. If this matter comes up again, we may not be here to oppose it, and I would support the request that my hon. friend (Mr. Richardson) has made to the minister, having in view the temper of the House and the general expression of opinion in regard to the matter. While it is true that this is not the minister's Bill and that it is the Bill of the Postmaster General, who happens to be in the Senate, the criticism would be just the same if the Postmaster General were here, and there is nothing personal in the criticism. The objection is to the Bill, not to the hon. gentleman who has charge of it.

Mr. CURRIE: Strike the clause out.

Mr. BURRELL: I will move then that clause 76, which we are now dealing with—

Mr. FIELDING: Strike out the whole clause 4.

Mr. BURRELL: The committee should understand that if we repeal the whole clause, we are repealing not only the part of the clause which affects members, but a portion of a clause which I understand the committee has already passed.

Mr. McMASTER: We never passed clause 4.

Mr. BURRELL: We would be striking out all that part that deals with the sending of all the mass of material into the various departments that has heretofore been sent free.

Mr. BELAND: Quite rightly so. Does the minister believe for one minute that people outside in the country will communicate with his department when they have no public business to transact?

Mr. BURRELL: We will drop the whole of clause 4 and close the Bill as it stands. In doing so, I am sure the committee will understand the rather difficult position I am placed in, acting, as I am, for another minister who has carefully considered the Bill.

Mr. BUREAU: We are not blaming the minister.

Mr. McMASTER: The hon. minister can say that he yielded to "force majeure."

Mr. BELAND: The minister may explain that if the Postmaster General had sat in this House, the Bill would have met with the same treatment.

Mr. DOHERTY: I think it would be going too far to wipe out clause 4 in its entirety. I suppose hon. gentlemen would not like that we should, in an endeavour to preserve their privileges, take away one from them. Section 79 of the Post Office Act reads:

> Members of either the Senate or the House of Commons may, during the recess of Parliament, send by mail, free of Canada postage, all papers printed by order of either House—

Mr. BELAND: It is a great privilege, but I do not care that we should have it.

Mr. DOHERTY: Then it goes on to grant the same privilege to members of the legis-

lature of any one of the provinces of Canada. They may—

—in like manner send by mail free of Canada postage, all papers printed by order of such legislature.

So if we drop section 79 as contained in section 4 we will be maintaining the privilege to members of the legislatures of all the provinces.

Mr. BUREAU: Let them have it.

Mr. DOHERTY: I think there is a distinction to be made between the members of the legislatures with regard to their papers and the members of this House. The Dominion of Canada does the post office business and why should we do it gratuitiously for the benefit of the provinces?

Mr. FIELDING: If my hon. friend desires to repeal that privilege he had better bring in a specific clause and not mix it up with the privileges of the House of Commons at all.

Mr. DOHERTY: Section 79 as it stands in this Bill is purely and simply repealing that privilege to the members of the legislatures.

Mr. McMASTER: May I just say that this objection to carrying free the official papers printed by the legislatures, while you are carrying free 2,500 issues of a local paper from week to week, is simply straining at a gnat and swallowing a camel.

Mr. DOHERTY: In view of the absolute principle to which the hon. member committed himself, I should think he would welcome our action in asking in at least one instance for pay for the service rendered.

Mr. BURRELL: This has been a difficult matter for me as acting minister in charge of this Bill. I have taken a good deal of responsibility in deference to the wishes of hon. gentlemen on both sides of the House in wiping out all the provisions of the Bill which limit the privileges of members of this House. Having gone that far, I think that part of the Bill which does not refer to the privileges of members of this House should be left in. So, if I may be allowed to amend my proposal, I beg to move:

To amend clause 4 by striking out the words "seventy-five" and "seventy-six" in the first line of the said clause by substituting the word "is" for the word "are" at the beginning of the third line of the said clause, and by striking out the new sections 75 and 76.

[Mr. Doherty.]

Mr. McMASTER: Will the Chairman read the clause as it will appear if the motion is agreed to?

The CHAIRMAN: If the motion is agreed to clause 4 of the Bill will read as follows:

4. Sections seventy-nine and eighty-one of the said Act are repealed, and the following is substituted therefor:

"79. Members of either the Senate or the House of Commons may, during the recess of Parliament, send by mail, free of Canada postage, all papers printed by order of either House."

Mr. FIELDING: Why not, repeal the words relating to the Provincial Legislatures without any reference to the members of the Senate and of the House of Commons at all?

Mr. DOHERTY: I think it has been looked upon in this House as a desirable thing that we should not make amendments by saying "We strike out of such and such a section such and such words," because a man reading the statute in the future would have to go back to the original Act to find out what the original section contained. As it is now, he will know on the face of this Act all that section 79 contains.

Mr. BELAND: What does section 81 of the Post Office Act refer to?

Mr. BURRELL: It refers to petitions and addresses to the Legislatures.

Amendment, clause as amended, and title, agreed to.

Bill reported with amendments, read the third time and passed.

On the motion of Rt. Hon. Mr. Doherty the House adjourned at 3.24 a.m. Friday.

## Friday, June 18, 1920.

The House met at Two o'clock.

### CUSTOMS ACT—PROPOSED EXPORT REGULATIONS.

On the Orders of the Day:

Rt. Hon. Sir ROBERT BORDEN (Prime Minister) moved:

That the Special Committee appointed to consider and report upon Bill No. 182, to amend the Customs Act, be granted leave to sit during the sittings of the House.

He said: It is usual to have this done upon a report of the committee, but I thought it might be convenient to have that authority at once.

Motion agreed to.

## INQUIRY FOR PAPERS.

On the Orders of the Day:

Mr. A. T. LEGER (Kent, N.B.): I ask the Minister of Marine and Fisheries when the papers asked for by Order of the House dated May 27, in reference to the closing of the Life Saving Station at Richibucto Beach, N.B., will be brought down. I made the same inquiry last week, and the papers have not been brought down yet.

Sir ROBERT BORDEN: The Minister of Marine and Fisheries has not yet entered the House. I shall acquaint him as soon as I can of the hon. gentleman's request.

## SUPPLEMENTARY ESTIMATES.

On the Orders of the Day:

Hon. W. L. MACKENZIE KING (leader of the Opposition): My right hon. friend mentioned yesterday that possibly he would be able to inform us to-day when the Supplementary Estimates would be brought down.

Sir ROBERT BORDEN: The Minister of Finance (Sir Henry Drayton) has been so busy with other public business that he has not been able even to attend Council, but I will endeavour to get in touch with him to-day and inquire when the Supplementary Estimates will be brought down.

## CIVIL SERVICE RECLASSIFICATION.

On the Orders of the Day:

Hon. MACKENZIE KING: On several occasions the President of the Council promised he would let us know when we might expect the reclassification of the Civil Service, so far as it has already been completed, to be laid upon the table of the House.

Hon. N. W. ROWELL: I expect the reclassification, that is, the list of positions under the head of Civil Government, will be available on Monday.

## OLD CHAMBLY FORT.

On the Orders of the Day:

Mr. JOSEPH ARCHAMBAULT (Chambly and Verchères): I call the attention of the Government to a report in the press to the effect that the Government have decided to dispense with the services of the caretaker of the old Chambly fort.

Mr. SPEAKER: Order. The hon. gentleman must certainly be aware that this is not the character of question that should be submitted on the Orders of the Day.

Mr. ARCHAMBAULT: I bow to your ruling, Sir, but may I submit that it is not a matter of my constituency only, because the old Chambly fort is a place of pilgrimage for all those interested in Canadian history?

Mr. SPEAKER: At best, the question is not of such a character that it can be put on the Orders of the Day. The hon. member will have opportunity, on an item in supply, of submitting his question to the Government.

## BOARD OF COMMERCE—RESIGNATION OF JUDGE ROBSON.

On the Orders of the Day:

Mr. S. W. JACOBS (George Etienne Cartier): May I ask the Prime Minister whether we may expect before prorogation the correspondence in reference to the resignation of Judge Robson?

Sir ROBERT BORDEN: I shall consult with the Minister of Trade and Commerce (Sir George Foster) who is more familiar with that matter than I am. I hope to be able to do so in the course of the afternoon or to-morrow.

## SUPPLY.

The House in Committee of Supply, Mr. Boivin in the Chair:

Public Works—chargeable to income—Banff—repairs to bridge, $3,000.

Mr. CAHILL: Why is the Dominion Government building a bridge at Banff? Is it for the National park?

Mr. J. D. REID: This is a re-vote for repairs to a bridge in the National park.

Mr. CAHILL: Has this expenditure been recommended by the Department of the Interior?

Mr. J. D. REID: Yes.

Mr. McKENZIE: It looks like a provincial work.

Mr. J. D. REID: The Dominion Government has to look after the bridges in the national parks.

Mr. ROBB: Hon. gentlemen all know that the Banff National park is owned and administered by the Dominion Government. It is perhaps one of the greatest sources of revenue that we have in that line in the western country. It attracts a lot of tourists, who leave a large amount of money with the railways, and with the residents. Undoubtedly the old bridge over the Bow

river requires repairing, and I think $3,000 is a moderate sum. But in view of the present condition of our finances I think the Government might hold up for a while, until labour is cheaper and the work can be done more economically. $100,000 is a lot of money for a new bridge that is to be built just about 30 or 35 feet west of the present one and I understand the abutments are already in. Perhaps if we passed this item for repairs, the minister would promise not to go on with the new bridge for a while.

Mr. TWEEDIE: I do not think we should strike out the item for the new bridge at that point because it is absolutely necessary. The bridge now being used is unsafe, and it is the duty of the Government to go ahead with the construction of a new one with the least possible delay. If we struck out this $100,000 item the new bridge could not be completed for two years. We want to get the heaviest part of the work done in the fall and winter when the water is low. There are no abutments there at the present time, so far as I know. Tenders were called for and the tender accepted was in the vicinity of $100,000, but that will not complete the bridge. This new bridge is an absolute necessity for the safety of the people who are using the park.

Mr. J. D. REID: As stated by the hon. member (Mr. Tweedie) this new bridge is an absolute necessity, and its construction has been strongly urged by the Department of the Interior. Before these Estimates were submitted to Parliament every care was taken to strike out every item that we could possibly hold over for another year.

Mr. REID (Mackenzie): Why is the Federal Government building a bridge in the province of Alberta? I understood that the province looked after its own highways.

Mr. J. D. REID: This bridge is on the private property of the Dominion Government at Banff. It is not a provincial matter at all.

Mr. McKENZIE: The minister says the bridge is on the private property of the Dominion Government. Can we in view of the state of our finances afford to expend $100,000 on a bridge on private property which we are not using? If there is any use of the park it must be by the people of the province and visitors to that province. There is no revenue coming to this Government from the park, I suppose.

[Mr. Robb.]

Mr. J. D. REID: I cannot say as to that. While this park is the private property of the Dominion Government it is open to the public. The Provincial Government has no jurisdiction over the park or its roads and bridges. We could not ask the Provincial Government to assist us in building a bridge in this park any more than we could ask them to build a bridge over a stream on the experimental farm at Ottawa, notwithstanding that many people in the province visit that farm.

Mr. McKENZIE: I fail to see the analogy between the experimental farm at Ottawa and this territory in question. I understand that this park is a beautiful tract of land owned by the Dominion Government, but so far as I know the traffic over the bridge under discussion is altogether local. If the minister can satisfy me that it is the duty of the Dominion Government to build a bridge in that place, that is another matter.

Mr. TWEEDIE: If the hon. member (Mr. McKenzie) would visit the town of Banff he would understand the situation. Banff town is under the jurisdiction of the Dominion Government (having been incorporated under an Act passed in 1887); which exercises over it the same rights as a municipal council exercise over other towns in the province. The Dominion Government own and operate the sewerage system and the water system; they own all the streets and boulevards; and they receive a revenue from the land, which is leased for a term of years to the settlers. I do not think there is any question whatever as to the absolute necessity for the bridge, which crosses the Bow river.

Mr. McMASTER: What is the population of Banff on both sides tributary to the bridge?

Mr. J. D. REID: I do not know, but I have been in Banff and it is quite a town.

Mr. McMASTER: Quite a small town.

Mr. J. D. REID: It is a considerable town. There are a good many thousand people there for many months of the year. If the hon. member has ever been in Banff he must know that the bridge is a necessity. The last time I was there it was not in good condition. It is not a credit to the Dominion Government that the bridge should be as it is.

Mr. BELAND: Has the minister any figures regarding the number of tourists who use this bridge.

Mr. MEIGHEN: I can obtain the figures. The traffic is very great. Indeed, the officers of the department in charge of it furnished me with figures not long ago to show that the returns to the people of Canada per acre from that park, although it is mainly rock and not agriculturally productive, were greater per annum than the returns from our wheat fields. The bridge which is to be replaced was deemed to be in very dangerous condition, having regard to the nature of the traffic over it, particularly automobile traffic. Having postponed from year to year the responsibility of replacing that bridge, we felt that we would not be justified any longer running risk in relation to the safety of human life. It was thought for a while that we could move out the bridge that has been taken off the Ottawa river at Chaudiere falls but it was ascertained that that would be more expensive than if we built a new bridge.

Mr. McKENZIE: We were told last year by some hon. member from the West that there were solemn promises from the Prime Minister, not only once but half a dozen times, that the natural resources of the western provinces were to be handed over to the provinces. This is a natural resource, and I suppose that when it is handed over bridges and every other improvement will go with it. It is not very likely that we shall retain any parks if we pass over the natural resources to the provinces, and if that is to happen in the near future, I do not think it advisable for us to spend large sums of money upon property which may soon pass out of our hands. It would be interesting to know whether the income from this place is sufficient to justify us in this expenditure. I for one would be satisfied that any monies derived from that park should be devoted to the upkeep of its bridges and other necessary works, but if it is not sufficient the proposition is altogether different.

Mr. MARCIL (Bonaventure): I am not in a position to discuss the merits or demerits of the bridge in question, but I should like to have a word from the minister as to the Government's policy in the building of bridges. A few weeks ago a deputation from the Campbellton Board of Trade waited upon the ministers here and asked for assistance towards the construction of an interprovincial bridge between Campbellton and Bonaventure township, Quebec, the Provincial Governments of New Brunswick and Quebec to contribute to the expenditure. They were informed that there was no money available at present for bridges and that they would have to wait. Another instance of this kind came to my notice in the Main Estimates in connection with a wharf at Gascons in my constituency. The money was voted last year and tenders were called for the contract. The contract was awarded and the work was about to be undertaken when the Minister of Finance stepped in and declared that it was not commercially necessary, and the work was stopped. The amount has again been inserted in the Estimates on the recommendation of the resident engineer. Just what is the Government's policy in this regard? Have we money to build bridges and wharves or have we not? If we have, is it only a matter of choice on the part of the minister in charge of the department, or has the Government one policy for the West and one for the East?

Mr. MEIGHEN: The bridges to which the hon. member refers would be new constructions. This is to take care of a construction that already exists. It is true that a new bridge is to be put up, but the traffic and all the other conditions that call for this expenditure have been created by the very fact of the bridge being there. Furthermore, the property is altogether our own property, for which this Government is directly responsible, and we are running a grave risk indeed if we keep there a bridge which is unsafe. The cases are wholly different. As regards a new construction, the statement made by the Minister of Finance, as related by the hon. member, is quite true. As to what the hon. member for North Cape Breton (Mr. McKenzie) says, the revenue derived from the parks does not go to the Dominion Treasury; it goes to the people of Canada in many ways. Railway traffic is developed, retail business is increased, and money is brought into the country and spent in many ways. The whole people get the advantage. As regards the handing back of these parks, I do not know that even on the return of the resources the provinces would desire the parks handed back. They are naturally a national rather than a provincial asset. They are the recreation grounds of the whole people. Indeed, at the provincial conference the suggestion that the parks should not become provincial property was, if I understand, acquiesced in generally by the provinces themselves.

Mr. MARCIL (Bonaventure): The minister has only answered part of my question. Regarding the bridge at Campbellton, a

new structure was highly desirable, and the provinces were willing to contribute. But work on the wharf at Gascons, where there are 100 fishermen, was held off after the contract was awarded. Evidently the Government made a mistake in that because we have the same amount in the Estimates this year notwithstanding their declaration last year that there was no commercial necessity for the work.

Mr. J. D. REID: There were works that were not carried out last year on account of financial conditions. We have made a survey of all the works in connection with every item and it is the intention to proceed with these works as soon as the Estimates are passed for the reason that we believe they are of urgent necessity.

Mr. CAHILL: How is the town of Banff administered and what is the cost of administration?

Mr. MEIGHEN: The town of Banff is administered by the Parks Branch of the Department of the Interior. Leases are given of the town properties and lots, and conditions are attached looking to the perpetuation of the beauty of the town and park. The town is laid out in the first place by town planners, and generally nothing can be done except under license or permit from the proper authority. A justice is appointed there under authority of the Governor in Council and before that justice cases are tried. I do not know what the arrangement is between him and the judicial authority. The general lines of administration have not been altered in years, nor has the principle of maintenance and collection of revenue. Attempts have been made to reduce the levies, but we have not yielded except to do for returned soldiers in relation to the parks the same as is done by the provinces in the territory under their jurisidction.

Mr. McMASTER: Waghorn's Guide, which I understand to be a standard work of its kind, gives the population of Banff as 500.

Mr. MARCIL: All the year round?

Mr. MEIGHEN: That is only in winter.

Mr. McMASTER: I would imagine that in summer there would be a large tourist traffic but I understand that most of the natural features of scenic beauty are on the same side as the hotel and that the bridge is not used by tourists to any great extent. That is my recollection of a visit I paid there in exceedingly good company some five years ago.

Mr. MEIGHEN: The hon. gentleman is mistaken; the bridge is between the station and the hotel. Everybody has to use it.

Mr. MARCIL: The hotel, I understand is owned by the Canadian Pacific Railway Company.

Mr. MEIGHEN: There is the Canadian Pacific Railway hotel and there is the Dr. Brett sanitarium. I do not know how many there are.

Mr. McMASTER: The minister says we have to build this bridge to protect life. Any expenditure to protect life is justified but as a nation that is desperately hard up, could not the present situation be met by an expenditure of less than $100,000?

Mr. MEIGHEN: I do not think a proper bridge could be erected for less than that sum. I was not anxious to spend a large sum and I was responsible for postponing the vote for two years but I thought I could not take the responsibility longer. The character of the structure was thoroughly canvassed and we endeavoured to reduce the cost. A slightly cheaper bridge could have been built but it would have been an unwise investment in the opinion of the officials in whom I have confidence and it would have been inappropriate to the character of the surroundings and the purpose of the bridge. It would have been an eyesore rather than an addition to the beauty of the park.

Mr. FIELDING: The question raised by the hon. member for Bonaventure (Mr. Marcil) concerning the policy of the Government in relation to bridges might well be considered in a broader way and perhaps at some more convenient time some clearer declaration might be made of the policy of the Government. International bridges, I take it for granted, would be a matter of arrangement between the Canadian Government and the Government of the United States. It may be that interprovincial bridges would also be a proper subject for the Dominion, but it is within my knowledge that a few years ago interprovincial bridges were refused aid by the Government, whereas bridges built within a province have been aided largely. I do not say this by way of criticism but difficulties arise as to the class of bridge that properly comes under the supervision of the Dominion Government and if at a convenient moment

the hon. gentleman could endeavour to draw the line a little more clearly it would probably prevent some discussion that would otherwise arise. Difficulties have arisen in the past because when a project for the building of a bridge was advanced somebody would say: "There is no use bothering about that; the Dominion Government will not do anything; it is a provincial undertaking." If we had some clearly defined line as to the responsibility of the Dominion and of the provinces it would be very helpful.

Mr. J. D. REID: The policy of the Government in the past, and the same policy is being pursued to-day, has been to assist in the construction of interprovincial bridges, as for example the bridge between Ottawa and Hull; to build bridges over canals or public works owned entirely by the Dominion; and to aid in the construction of international bridges.

Mr. FIELDING: In the case of a bridge being constructed partly for railway and partly for highway purposes—not being international, and not being interprovincial—would not the Government aid that construction in some cases?

Mr. J. D. REID: No, there has been no aid of that kind. I can recall a case, however, in the province of Quebec, where, with respect to a bridge crossing one of our own canals, aid was granted under arrangement made with the municipality.

Mr. MARCIL (Bonaventure): The Victoria bridge is an example of such federal assistance.

Mr. J. D. REID: We have also given aid in the case of a railway crossing a river. I remember that was done in the case of the Edmonton and Dunvegan railway, which crosses some large stream in the West. It was represented to us that the bridge was going to cost a million dollars and a subsidy was asked for. A special amount was voted for assistance in that case.

Mr. MARCIL (Bonaventure): In the case of the Victoria and Charlemagne bridges, highway bridges were attached to those structures. Dominion aid was given in both cases.

Mr. W. F. MACLEAN: Under the Railway Act there is a provision for the Government to join with a municipality in constructing a large railway bridge, the municipality paying its portion of the cost.

Mr. J. D. REID: The hon. member for Bonaventure has referred to the Victoria bridge. If my memory serves me correctly that bridge was built by the Grand Trunk Company themselves, and they charge a toll for its use.

Mr. MARCIL (Bonaventure): The work was heavily subsidized by the Dominion.

Mr. J. D. REID: The reason for that may have been that it crosses the St. Lawrence river.

Mr. MARCIL (Bonaventure): The Charlemagne bridge crosses the Rivière des Prairies and a highway bridge was attached to it, and on that condition it received a Dominion subsidy. The same assistance has been applied for to aid in building a bridge between Ste. Anne and Vaudreuil for the last twenty years to my knowledge. The hon. gentleman's predecessor in the administration of the Public Works Department (Hon. Mr. Monk) gave a pledge on behalf of the Dominion Government that they would contribute fifty per cent of the cost of that bridge if the province would pay the difference, and that offer still stands.

Mr. J. D. REID: I cannot say what the late Mr. Monk promised with reference to a subsidy for that particular bridge. I know the place well and there is great need for a proper connection there. I think it is almost a disgrace to Canada that no bridge has been provided during the last forty years. An automobile or a carriage desiring to cross at that point has to be ferried on a scow. But that is an entirely provincial matter; I do not see why the Dominion Government should assist in the construction of such a bridge as that. As I already said, we have granted aid for construction of highway bridges in Quebec, but only where they crossed a Government canal.

Mr. MARCIL (Bonaventure): The Federal Government has a canal at Ste. Anne, and that was why the late Mr. Monk gave the pledge referred to.

Mr. J. D. REID: The proper way to give the needed accommodation at the point in question would be to attach a highway bridge to the present railway bridge. As I understand it, the railway company is quite willing to grant the necessary permission, but the authorities—either provincial or municipal—as I understand object to the expense. The expense would not be so awfully great, and I cannot understand why

the provincial authorities have not long ago provided a highway bridge there.

Mr. BOYER: The Provincial Government have promised to subscribe fifty per cent of the cost of a new bridge at the point referred to provided the Dominion Government would do the same. The late Mr. Monk promised that the Federal Government would contribute its share, not because the proposed bridge was interprovincial, but by reason of the fact that it would be a public utility. Under the circumstances, I do not see why the Government should not carry out the undertaking entered into by that gentleman. In the event of the Dominion and provincial authorities contributing toward the cost of a bridge at St. Anne the municipality of Isle Perrot will do its share.

A committee composed of some of the most influential men in the industrial and professional life of Montreal interviewed the Federal Government a few weeks ago to secure a grant towards the construction of this bridge, but they were told: "We have heavy commitments to meet and we must be economical." Well, we are ready to admit that principle of economy, but it should be applied impartially to every part of the country. If the Government is ready to build a bridge at Banff or anywhere else, presumably it is because it is a necessary public work. This bridge that I am asking assistance for is also a necessary public work, and therefore I submit the Government should treat it in the same way as it treats the Banff bridge: they should build it or contribute towards its cost. The Boards of Trade of Toronto and all the towns between Toronto and Montreal have sent resolutions to the Government recommending the construction of this bridge, and its importance and necessity is admitted generally. I do not know why the Government is so parsimonious in this particular case. I would suggest that it grant substantial financial assistance towards the construction of this very important bridge at Ste. Annes and Vaudreuil.

Mr. J. D. REID: I agree with the hon. member that the Ontario and Quebec municipalities have sent resolutions to the Dominion Government recommending the construction of this bridge. But they are not the only people who send resolutions when they want money expended that they should themselves expend. I cannot see why every time a bridge or some other work that is really a provincial undertaking is required that the Dominion Government should be called upon to build it. I have no recollection—and the deputy minister confirms me—of any case where the Dominion Government have ever built or assisted to build what is really a provincial bridge and for which the Provincial Government alone is responsible. That being the case, if we place in the Estimates an item for this bridge, we are at once faced with further expenditures of the same character, for the provinces are frequently applying for federal assistance on the ground that the works contemplated involve a very large expenditure and the Dominion Government should assist the Provincial Government, and a grant such as my hon. friend is now asking for would be used as a precedent for further demands on the Federal Treasury. This bridge is entirely a provincial matter.

Mr. MARCIL (Bonaventure): It is across the canal at Ste. Anne's.

Mr. J. D. REID: Certainly the Federal Government should assist if this were a low level bridge. But a highway bridge can be built at Ste. Anne's without interfering with navigation in any way. The bridge is going to be a high level bridge. The hon. member shakes his head.

3 p.m.

Mr. BOYER: No.

Mr. J. D. REID: Of course, he can use the argument that it is to be a low level bridge, but I know the location well, and the connection required could be obtained at the least possible expenditure by simply putting a roadway between the Canadian Pacific and the Grand Trunk bridges. The hon. member may say that the bridge will be built across the canal to get the necessary item put in the Estimates, but I am sure no engineer would advise the building of such a bridge. I am convinced that the advice would be to take advantage of the two railway bridges and build the highway bridge between them.

Mr. BOYER: We asked the Canadian Pacific Railway Company and the Grand Trunk Railway Company for permission to construct a bridge betwen the two railway bridges. The Canadian Pacific Railway Company was ready to allow us to do so, but the Grand Trunk Railway Company refused. No doubt such a bridge would be less expensive, but, apart from the refusal of the Grand Trunk Railway Company it is feared that a highway between the two railway bridges would be very difficult to

keep open during the winter on account of the snow drifting there. If we go below the railway bridges we must cross the canal, and then the Federal Government should certainly pay. I wish to know if any assistance will be given.

Mr. J. D. REID: I would not want to agree to build a low level bridge that for all time to come we would have to maintain and operate over the canal. Of course, I am not putting my judgment against that of any engineers who may look over the situation, but my advice would be to build the bridge either between the two railway bridges or on either side of them. If the Canadian Pacific Railway are willing to agree to its bridge being made use of, I will take the matter up with the Grand Trunk Railway Company and see whether they too will agree to the use of their bridge so that the highway may be constructed between the two bridges.

Mr. BOYER: There is another objection to building between the two railway bridges, and that is the great cost of building the approaches, which is a very serious objection. However, if the minister can convince the Grand Trunk Railway Company of the feasibility of this highway bridge between the two railway bridges, I would like to know if the Government will help in any way towards the cost of construction. The first estimate was $300,000. The minister himself told me that we must add a large sum to that estimate. Supposing the bridge will cost $500,000, and the province of Quebec will contribute $250,000, then the municipalities would have to contribute the balance, if the Federal Government does not assist. But the municipalities are not able to do so. Already they have expended nearly a million dollars on improved highways, and in that way they are setting a good example to the country. The proposed bridge will be used not only for local traffic, but for interprovincial traffic, for this will be the connecting link of the provincial highways between Toronto and Montreal. Therefore it is only reasonable that we should have assistance from the Federal Government.

Mr. J. D. REID: The Quebec Government should take this matter up with the Ontario Government. This bridge is only a few miles from the main highway of the province, and if any contribution should be given, it certainly should come from the provincial governments and not from the Dominion Government. The hon. member says that the Quebec Government will contribute one-half the amount.

Mr. BOYER: Yes.

Mr. J. D. REID: From the information I have I understand that the local municipalities are ready to subscribe the rest.

Mr. BOYER: No, but they will guarantee part of the cost.

Mr. J. D. REID: The municipalities are willing to do that provided they are allowed to collect tolls in repayment of the portion they contribute. That would settle the trouble. I would suggest that the several local municipalities form themselves into a corporation to build this connecting link as a toll road and obtain powers under their charter to levy tolls until they have recouped themselves their capital expenditure. There is a heavy tourist traffic in this district and in this way they will be able to carry out their undertaking without seeking assistance from the Dominion Treasury.

Mr. McKENZIE: Would the same policy apply to the bridge at Banff?

Mr. J. D. REID: The bridge at Banff is our own property, and we canont get any aid from the province of Alberta in connection with it.

Mr. LAFORTUNE: The question of building the proposed bridges at Ste. Anne and Vaudreuil has been a subject of discussion for the past fifty years. I remember years and years ago when the late Hon. Mr. Laflamme and the late Mr. Justice Girouard, who formerly represented Jacques Cartier, which I now have the honour to represent, were discussing the question of those bridges. At every election contest, if one or the other was elected, he promised that he was certain to have the bridges constructed. The Hon. Mr. Laflamme was elected twice; the Hon. Mr. Girouard was elected three times, but the bridges have not yet been constructed. I was elected for Jacques Cartier for the first time in 1911, having previously represented Montcalm, and I pledged my word of honour that if I were elected, the bridges would be built. In that I followed the example of and the declaration given by the late Hon. F. D. Monk, when he represented Jacques Cartier. Every time he was elected from 1896 to 1911, the same promises were made, but no bridge has been built. The same difficulty has always arisen. I agree, perhaps for the first time, with the minister; he would do a great favour and

render great services to my electors if he would do what he has just stated should be done. I discussed the matter with the late Mr. Vallée, chief engineer of Quebec province, and he was of opinion that the two railway bridges now in existence are sufficiently strong to have a passerelle between them. In the present state of the finances of the country, I would suggest to the minister that that should be constructed so as to render a service to the electors of Jacques Cartier, Ste. Anne, Vaudreuil and all the surrounding country. When we are not able to get a full loaf, we are prepared to take half a loaf, and later on, when the Liberal party comes into power—and I hope that will not be very long—we shall be able to do something else. But for the present the minister should do what he has just stated, namely, try to help us to get that highway bridge constructed by using the two railway bridges already built. This is not a provincial question, because these two bridges are a matter of interest to the whole Dominion. The minister has built a very large military hospital at Ste. Anne, and my electors and I are very glad that he has done so. Millions were spent there and the expenditure was necessary. This is a Dominion military hospital receiving patients from every part of the Dominion, but how can you reach that military hospital at Ste. Anne when there is no bridge? Millions and millions of dollars were spent at Macdonald College at Ste. Anne, the best institution in the whole Dominion of Canada. The late Sir William Macdonald gave five or six million dollars to that college. In a few days we shall have an international agricultural concours there with representatives from every province, and in my opinion the Government should see that provision is made that Macdonald College, and the military hospital built by the Government, may be reached from every province. When the late Mr. Monk represented Jacques Cartier with so much honour to himself and with so much benefit to the electors of that constituency, he declared publicly in my presence at a large public meeting held in Jacques Cartier—and he was a man who never failed in his word—that the duty of the Federal Government was to do its best to have those two bridges built. I am sure that the minister will see that full justice is done to the electors of Jacques Cartier, not because I represent that constituency, not because I ask for this, but because it is a measure of simple justice to the travelling public of the Dominion of Canada.

[Mr. Lafortune.]

Mr. KENNEDY (Glengarry and Stormont): Those bridges at Ste. Anne and Vaudreuil are more or less national in their character on account of the traffic they would carry. A very important highway, certainly one of the most important in Ontario, is being constructed along the north shore of lake Ontario and down along the north shore of the river St. Lawrence to the Quebec boundary. Another is being projected from Ottawa to Montreal, and a third county-provincial highway is running midway between the river Ottawa and the river St. Lawrence, likewise leading to the Quebec boundary. Those three highways converge towards Ste. Anne and Vaudreuil where those bridges are projected. Montreal being the commercial metropolis of this country, those bridges will carry a very large tourist traffic coming from Ottawa, Toronto and points west, and on that account those bridges should be considered as more or less national in their character. The minister argues that this is a matter for the provinces to finance; he has pointed out that the province of Ontario should contribute something towards the building of those bridges; but I do not think that that province should be expected to assume any financial obligation as regards a bridge of that kind as it would be wholly within the limits of another province. In view of the nature of the traffic which those bridges would be expected to bear, the Federal Government should assist in some degree towards the construction of those bridges. The communities in that portion of Ontario feel that those bridges will be a great benefit to this country in diverting through Ontario tourist traffic which now goes through the State of New York.

Mr. McKENZIE: Is it necessary to spend this $3,000 for repairs if we build the new bridge at Banff.

Mr. J. D. REID: Yes, because it will be some time before the new bridge is ready.

Mr. McKENZIE: Has there been a report that if these repairs were made the present bridge would do for this year?

Mr. J. D. REID: These repairs are required so that the old bridge can be used till the new one is ready.

Mr. McKENZIE: I never heard of a town being conducted by the Dominion Govern-

ment. It has come out incidentally that the town of Banff is conducted entirely under the supervision and control of the Department of the Interior. The people there must have schools and the usual institutions of a town. How is the money provided?

Mr. J. D. REID: The hon. member would find that information in the annual report of the Parks Branch, which is laid on the Table every year. Banff is not a new town. It has been in existence for twenty-five or thirty years.

Mr. MARCIL (Bonaventure): Will $100,000 be the total cost of the bridge? Has the contract been awarded?

Mr. J. D. REID: No. Tenders were called for last year, and $189,000 was the lowest submitted. We thought that too high.

Mr. MARCIL: Will the minister be able to keep within the $100,000?

Mr. J. D. REID: I cannot say until new tenders are called for.

Mr. MARCIL: Then it may cost $200,000 or $300,000.

Mr. J. D. REID: I do not think it would be higher than the lowest tender we received before.

Mr. COPP: What is the estimate of the department's engineer?

Mr. J. D. REID: $200,000.

Mr. JACOBS: Will this bridge be constructed on a cost plus basis?

Mr. J. D. REID: No, by tender and contract.

Burlington Channel—new bridge, $100,000.

Mr. J. D. REID: This is to replace the bridge which was built in 1876 across the Burlington canal. The bridge has been repaired from time to time, but is now beyond repair. This canal is the only means of approach to Hamilton for vessels coming up lake Ontario. As many as 1,700 automobiles have been counted crossing this bridge within a period of three hours.

Mr. BELAND: What is the size of the bridge?

Mr. J. D. REID: It is 155 feet long, and the counter balance, or shore part, 100 feet long. The apron is 18 feet. It is a swing bridge.

Mr. CANNON: Has the work been started?

Mr. J. D. REID: No, we have to call for tenders.

Mr. FIELDING: The item says "Burlington channel," but the minister speaks of Burlington canal. Is this channel a natural stream or a canal constructed by the Government?

Mr. J. D. REID: It is an artificial cut made by the Dominion Government through Burlington beach, so that vessels coming up lake Ontario can get into Hamilton.

Mr. CANNON: Could not the bridge be built by the Provincial Government, and if not, why not?

Mr. J. D. REID: It is a Dominion work entirely.

Mr. CANNON: Is it going to be a toll bridge?

Mr. J. D. REID: No, and it never has been.

Mr. CRERAR: What are the conditions under which assistance will be given by the Dominion Government in building a bridge entirely within a province?

Mr. J. D. REID: St. Anne's bridge, for instance, is entirely within the province of Quebec on the main highway between Toronto and Montreal. Up to the present no Dominion Government has seen fit to aid in the construction of bridges that are entirely provincial.

Mr. CRERAR: I think this is an important matter. My own view is that a bridge entirely within a province should be built by that province. Otherwise, there would be a manifest injustice done in some cases, and there would be many demands upon the Federal Government for assistance. Is there any settled policy in granting assistance of this kind when requests are made to the department?

Mr. J. D. REID: So far as the Deputy Minister of Public Works and I know, assistance has never been given by the Dominion Government in building a bridge entirely within a province. Assistance is only given in the case of interprovincial bridges.

Mr. CRERAR: On what basis is it given in the case of an interprovincial bridge?

Mr. J. D. REID: That principle was established many years ago. The bridge from Ottawa to Hull, for instance, is interprovincial. We also adopted the principle

when the matter was international between Canada and the United States, as for instance in connection with the town of Edmundston. There are other instances that I cannot recall.

Mr. CRERAR: One can understand why assistance should be given to an international bridge, but that is in a different category from interprovincial bridges.

Mr. LAFORTUNE: About two years ago I sent to the department a petition from the city of Lachine asking for repairs to a certain small bridge on the Lachine canal, and since that time I have been endeavouring to get some action taken in the matter. This bridge is in a very dangerous condition. It is too narrow for the traffic, and there is not real safety to the public who pass over it. A young girl fell into the canal and was half drowned because there was such poor protection on the bridge. I am informed that further petitions have been sent to the department urging for repairs to this bridge, and I shall be glad if the minister will tell me what the department intends to do.

Mr. J. D. REID: This is a matter that comes under the Railways and Canals Estimates, and when we are discussing those items I will have the deputy minister here and shall probably be able to give the hon. member more details than I could at this moment.

Capilano River, B.C.—Bridge—Contribution by Dominion Government, Provincial Government, and Municipality, each to contribute a like amount. $11,000.

Mr. FIELDING: Is this entirely within the province of British Columbia?

Mr. J. D. REID: Yes. We need this vote because we built at this particular place a dam which necessitates a bridge. This $11,000 is the Dominion Government's share of the cost of constructing the bridge over the river to replace the one damaged in January, 1918.

Mr. FIELDING: Was the dam built for Dominion purposes?

Mr. J. D. REID: The deputy minister tells me it was built for Dominion purposes, and for that reason we are asked to contribute to the cost of building the bridge.

Mr. CRERAR: In this case the building of the dam made the bridge necessary?

Mr. CASGRAIN: Will the minister more fully explain the necessity for this item?

[Mr. J. D. Reid.]

Mr. J. D. REID: By building the dam we diverted the water of the Capilano river into the channel and this made the bridge necessary.

Dominion—roads and bridges generally, $5,000.

Mr. J. D. REID: This is a general vote in case we require any unforeseen work done.

Mr. CASGRAIN: How much will be assigned to the province of Quebec?

Mr. J. D. REID: We shall spend the money wherever it is required.

Mr. CASGRAIN: I wish to say something in regard to the condition of a road in my county, the county of Charlevoix, Montmorency down the lower St. Lawrence. Last year a Bill was introduced by the Federal Government giving a certain amount of money to the different provinces for the building of public highways of an interprovincial character. The circumstances in connection with the county I have the honour to represent are somewhat peculiar. As far as St. Joachim, about thirty miles below Quebec, there is a good provincial highway; but for years past communication between that place and Baie St. Paul in the county of Charlevoix and other places further down has always been by way of a highway through the bush, which has been maintained by the different parishes in that district. I am of the opinion that a highway of this kind falls within the category of the public highways which the Government purposes to build between the different provinces. Between St. Joachim and Baie St. Paul there is absolutely no proper communication by land except by way of the Quebec and Saguenay railway, and if people wanted to travel by motor or any other vehicle owing to some accident to the railway or in the winter they would have to use the old highway, which is in good condition sometimes but which is not by any means satisfactory. Now that the Government is contemplating spending the moneys voted for public highways between the provinces, I submit that it would be only reasonable that a certain sum should be devoted to this part of the country. I am told that the Provincial Government has submitted to the Federal Government a plan of a certain proposed highway, from St. Joachim to St. Siméon, and perhaps the Government can say if there is going to be this year any appropriation in connection with this work.

Mr. J. D. REID: This $5,000 is for the purpose of repairing a number of bridges in the different provinces. There are some in Nova Scotia, Quebec and Ontario. With reference to the question of public highways, there was a vote of $20,000,000 passed for this work in the different provinces. The provincial governments make plans of the highways they want and submit them to the Dominion Government. We consider them with our officials and if we are satisfied with them we agree to the 40 per cent. But the Dominion Government does not dictate as to where the money is to be spent, once having agreed to the plan. As to a special vote for the particular locality mentioned by the hon. member, it strikes me that this is almost entirely a provincial matter. At any rate, the Dominion Government would not consider any expenditure unless the Provincial Government were prepared to subscribe, and it is for them to submit plans to us.

Mr. CAHILL: Under this item I wish to bring to the attention of the minister a certain district in the county of Timiskaming where the Dominion Government built a dam on the Quinze lake for the conservation of the Ottawa river waters. I understand that the township disclaim the responsibility for maintaining this work, and certain residents in the township of Latchulippe, in the county of Timiskaming, are suing the county for damages to their property by reasons of a flood. There seems to be a question of jurisdiction as to who is responsible. They have asked me to take the matter up with the Government and I have communicated with the Public Works Department. As there has been a suit against the county of Timiskaming I wish the minister would be good enough to take the matter into his consideration at as early a date as possible and tell the people there whether he is going to maintain the road, which is in the nature of a dam holding back the water in Quinze lake, or whether it will be a matter for the province and the county to look after.

Mr. J. D. REID: The department are now looking into it. Where there is any doubt as to whether the department is responsible, we must take the advice of the Department of Justice. The deputy minister tells me the matter is under investigation and as soon as possible we will get the hon. gentleman a report in regard to the position the department will have to take.

North Timiskaming—to complete erection of bridge superstructure and repairs to substructure, Quebec Government to contribute, $15,000.

Mr. CRERAR: On what grounds is assistance given to this particular bridge?

Mr. J. D. REID: It is interprovincial.

Mr. CRERAR: Is it given to every interprovincial bridge?

Mr. J. D. REID: Yes, in every case where it is an interprovincial bridge the Dominion Government assists it to a certain extent. Agreements are made as to the amount the Government should contribute. In this case we are contributing $15,000.

Mr. CASGRAIN: Quebec is contributing $15,000.

Mr. CRERAR: Quebec is contributing $15,000 according to information given in the item.

Mr. HARRISON: Is not this bridge entirely in the province of Quebec?

Mr. J. D. REID: Yes, I am informed that it is entirely in the province of Quebec, right at the border.

Mr. FIELDING: I do not want to oppose the principle of aiding interprovincial bridges but I would not like the statement that was made by the minister to remain unchallenged; that it is the policy of the Dominion Government to aid bridges of an interprovincial character. I know of cases in which the Government at Ottawa not only declined to give any aid but charged the provincial governments a duty on the bridge material.

Mr. BELAND: This is an exception to the rule. The Government of Quebec is the only provincial government that is richer than the Dominion.

Ottawa-Hull, new bridge, to replace present union bridge over Ottawa River below Chaudiere, $34.000.

Mr. PROULX: Is that bridge finished?

Mr. J. D. REID: Yes.

Mr. CHISHOLM: I want to refer to the bridge at Grand Etang in the county of Inverness. An application was made some years ago to get a new harbour opened up there by cutting out a channel in the beach. The work was completed in 1911 and a channel widened, taking in the basin from the entrance to the present bridge, so as to accommodate the fishermen. The fishing industry has grown to be a very large and important industry in that locality, and there is no room to accommodate the in-

creasing number of boats. Would it not be possible for the minister to have the present bridge moved up to the narrows? He has to construct a new bridge there in a short time. If he would have the bridge moved up to the channel and dredge the basin above the present landing, it would afford much needed accommodation to the fishermen. Under the present conditions it is impossible for the fishermen to get anchorage for their boats, and the further development of the industry is paralysed as a result. There are always a number of boats awaiting accommodation at this point. Two large fishing firms are established there now and others will follow when we get anchorage space for boats. The dredge is operating at Margaree; it will be through in a couple of months, and Grand Etang is only nine miles from Margaree. If the minister would consider this it would be a solution of the matter. He has to build a bridge there soon and if he would undertake the removal of the bridge up to the narrows it would not cost very much, and it would give ample room for the large number of boats there. If he would have this work provided for in the Supplementary Estimates and build the bridge, the dredge could be taken down there when the work is completed at Margaree.

Mr. J. D. REID: I have had a report on that made lately at the pressing request of the hon. member (Dr. Chisholm), and I find that the dredging and the building of a bridge would cost $50,000 or $60,000. We are considering the items in connection with Supplementary Estimates, as promised the hon. member. I do not know whether the report is such that we may have to let the work stand or whether we may have to do it. However, as far as the dredging is concerned, that may be done, but we will look into it and see what can be done.

Mr. CHISHOLM: It would really cost that much to dredge the whole space between the present bridge and the narrows, but if a channel were cut through so as to enable boats to go up above the present bridge, after the bridge is removed, it would not cost more than $5,000 or $6,000 to do the dredging, and the completion of the dredging could be done next season. The work is most urgent if the Government desire to assist the fishermen. I have discussed this matter with the department every session since 1912 and put the facts in their possession and convinced them of the great urgency for this improvement.

[Mr. Chisholm.]

Mr. MARCIL (Bonaventure): I would like the minister to call the attention of the superintendent of highways in his department to the matter which I am about to mention. The Dominion Government have given the provinces the means of constructing highways. The Dominion Government aid provincial bridges. We have such a bridge over the Restigouche river at Metapedia. Having that bridge we must get to it from the highway. The Dominion Government is interested in seeing that the approaches to interprovincial bridges are in such a condition that they can be used. In the county of Bonaventure for a distance of thirty miles you approach this interprovincial bridge over what is the main highway between New Brunswick and Quebec. The road, in that 30 miles, traverses an unorganized territory. During the last Parliament Mr. Boulay secured from the Dominion Government $10,000 to begin the work of improving that 30 miles of road leading to the interprovincial bridge. The work has been left uncompleted. I understand that it now rests with the provincial government to decide what highways are to be built in a province. As this work has been begun by the Dominion and as it leads to an interprovincial bridge constructed by the Dominion—the old intercolonial railway bridge—as it is the main highway between New Brunswick and Quebec—because you cannot reach New Brunswick by road, you cannot go from New Brunswick to Quebec, or vice versa, excepting through the Metapedia valley—and as this thirty miles of road remains uncompleted, I would ask the minister to get the Commissioner of Highways to give consideration to this question so that authority may be given to the Quebec Government to build this last thirty miles of road when we would have an uninterrupted highway between Quebec and New Brunswick over this interprovincial bridge. At the present time this bridge which would be of immense value as a means of communication between the two provinces is not used to any extent because the thirty miles referred to are unfinished. The work was commenced by the Dominion but has been abandoned. The provincial authorities have done nothing, and there the matter rests. In view of the work being of a Dominion character, the Commissioner of Highways should take the matter up and see if he cannot get the province to complete the unfinished thirty miles. Then this highway bridge could be opened up and connection established between the two provinces.

Mr. J. D. REID: I shall take the matter up with the Commissioner of Highways and see what can be done.

Mr. LAFORTUNE: Will an opportunity be afforded of discussing the question of the small repairs to the Lachine Locks Bridge?

Mr. J. D. REID: An opportunity will be afforded when the Canal Estimates are taken up in the early part of next week.

Dredging, Maritime Provinces, $500,000.

Mr. LEGER: I would ask the minister if there is any amount in this large item for dredging in the following rivers in my constituency in the province of New Brunswick: St. Louis, St. Charles, Molus, and Kouchibouguac? I also wish to know if there is any appropriation for dredging the harbour bar of the Richibucto river. A number of these small rivers are used by fishing boats, and also by scows for transporting mud fertilizers to the farmers, and dredging operations are urgently needed in order to improve navigation. The resident engineer has visited these places at different times and I would like to know if any provision has been made in this appropriation for carrying out this much needed work.

Mr. J. D. REID: Out of this vote of $500,000 the sum of $475,388 is required to pay for the operation of the Government plants in the Maritime Provinces, leaving a balance of $24,611 to be expended on works of various kinds for which contracts will have to be let by public tender. I have a memorandum before me of the dredging work that is planned, but I see no reference to the rivers which the hon. member has mentioned. Of course the dredges are sent where they are most urgently needed in the interest of navigation. The list of rivers which the hon. member has mentioned will appear in Hansard, and I will take the matter up with the deputy minister and see how urgent the work there is, as compared with that called for at other points in the province.

Mr. LEGER: In 1918 a small grant was made for the dredging of the St. Louis river which money has not yet been expended. The fishermen of that place have to suffer losses on account of this dredging not being done; there is not a sufficient depth of water at low tide to get their boats through when loaded with fish, and some one has to remain in the boats part of the day waiting for the tide to rise. In that way their catches of fish are exposed to loss. I desire to call the Government's attention to the action taken by the department and by the district engineer so that this delay may not occur again. I will read from the correspondence I have had in reference to the matter. The first letter is in French. I will read it and then give the translation:

Ministère des Travaux publics, Canada,
Bu reau du Secrétaire,
OTTAWA, 8 mai 1918.

Monsieur,—A propos de vos remarques, à la Chambre des communes, concernant le dragage des rivière Aldouane et Saint-Louis, telles que rapportées à la page 1211 du Hansard du 25 avril, édition non revisée, je suis chargé de vous faire parvenir une copie du rapport de l'assistant ingénieur en chef du ministère des Travaux publics sur cette question.

La recommandation de notre ingénieur de district, M. Stead, que la somme de $1,312.50 soit votée afin de continuer le creusage du chenal de la rivière Saint-Louis, a été approuvée par le ministère et cet item est compris dans le subside général de cette année pour le dragage des havres et rivières dans les Provinces maritimes.

J'ai l'honneur d'être Monsieur,
Votre obéissant serviteur,
R. C. DESROCHERS,
Secrétaire.

M. AUGUSTE T. LÉGER, M.P.,
Chambre des communes,
Ottawa.

The translation is as follows:

DEPARTMENT OF PUBLIC WORKS, CANADA,
SECRETARY'S OFFICE,
OTTAWA, May 8th, 1918.

Sir,—With reference to your remarks in the House of Commons, as reported in Hansard of 25th April, page 1211, (unrevised edition) in connection with the dredging of Aldouane and St. Louis rivers, I have been directed to forward to you copy of the report of the Assistant Chief Engineer of Public Works touching this matter.

The recommendation of our district engineer, Mr. Stead, that the sum of $1,302.50 be voted to carry on further dredging of the channel in the St. Louis river has been approved by the department, and this item is included in the general vote of this year under the head Dredging of Harbours and Rivers in Maritime Provinces.

I beg to subscribe myself,
Your obedient servant,
R. C. DESROCHERS,
Secretary.

Mr. AUGUSTE T. LÉGER, M.P.,
House of Commons,
Ottawa.

Now, Sir, I was perfectly satisfied with this, and I went home after prorogation expecting the work would be done during the summer. I took no further action in the matter, because I thought if I interfered the work would not be done. In the latter part of July a gentleman came to my place—he lives about 12 miles away—and said to me, "The dredging you told us was going to be done has not been done." I expressed my surprise. He continued,

" The engineer says there is no money voted for the work. Can it be true?" I said, "No, it is not true," and I showed him the letter I had received from the department. Then he handed me a letter which he had received from the engineer himself. Here is the letter:

Department of Public Works, Canada,
District Engineer's Office,
CHATHAM, N.B., 25th June, 1918.

Dear Sir,—I have received your letter applying for the work of digging a channel near the mouth of the St. Louis River.

No money has been granted so far this year for this work and the department is doing as little as possible anywhere. I can therefore do nothing in this matter at present.

Yours very truly,

Signed GEOFFREY STEAD,
District Engineer.

DAVID G. VAUTOUR, Esq.,
St. Louis, N.B.

About the last day of the month I met Mr. Stead in Richibucto. I said to him, "You have not got that dredging done?" He replied, " There is no money." I said, "There is; I got instructions from the department that the work was to be proceeded with." " Well," he answered, "there is no money." Then I said to him, "If you will come to my place I will show you the letter I received from the department stating that the work would be done." A few days afterwards I wrote to the minister as follows:

RICHIBUCTO, N.B., August 3rd 1918.

Hon. F. B. CARVELL, Esq.,
Minister of Public Works,
Ottawa, Ont.

Dear sir,—From my references in the House of Commons April 25th, 1918, to dredging in the St. Charles and St. Louis Rivers, I received a memo dated May 8th from Assistant Engineer's office through Secretary R. C. Desrocher, that the sum of $1,312.50 was voted in the general estimates for this year for the dredging in the St. Louis River.

I am informed that, so far, nothing has been done, the time is passing along fast and the fishermen should have necessary accommodation. Therefore would you kindly look into the matter and instructions given to local engineer in the matter.

An early reply would oblige,
Your sincerely,

Signed. A. T. LÉGER.

This is the letter I received from the minister in reply:

Office of the Minister of Public Works of Canada.

OTTAWA, August 8, 1918.

Dear Mr. Léger:—I am in receipt of your letter of the 3rd instant, regarding dredging improvements in the St. Louis River.

Our records show that $1,312 are provided for this work, to be spent if urgently required. We have a report of the 3rd instant from our District Engineer regarding this work, to the effect that further dredging here is not sufficiently necessary nor urgent to be gone on with at present.

In consequence of this information, it is unlikely we will proceed with this work this Season.

Yours very sincerely,

Signed: F. B. CARVELL.

A. T. LÉGER, Esq., M.P.,
Richibucto. N. B.

When the district engineer was first applied to he wrote that there was no appropriation for the work; about the latter part of July he gave me the same information; and yet on August 3 he wrote to the department to the effect that, " further dredging here is not sufficiently necessary nor urgent to be gone on with at present." I do not want this sort of thing repeated, and that is one reason why I am bringing the matter before the committee.

4 p.m.

On August 13 I wrote Mr. Stead as follows:

RICHIBUCTO, N.B., August 13th, 1918.

G. STEAD, Esq.,
Resident Engineer, etc.,
Chatham, N.B.

Dear Sir.—I am in receipt of a letter from the Public Works Department, saying that the district engineer had reported on the 3rd inst. that further dredging in the St. Louis River was not sufficiently necessary nor urgent to go on with at present.

I cannot really understand all this. You told me on the 30th ult. at Hotel LeBlanc, in presence of others, that there was no appropriation for that work this year. I told you at the time that I was informed by good authority that there was, and I am now further informed that there is $1,312.

I therefore cannot understand the reasons that this dredging was not done this Season for the accommodation of the fishermen.

Would you kindly give me some information in this matter.

Sincerely yours,

Signed. A. T. LÉGER.

Here is his reply:

Department of Public Works, Canada,
District Engineer's Office,
CHATHAM, N.B., 16th August, 1918.

Dear Mr. Léger,—

I have received your letter of the 13th August in regard to proposed dredging in the St. Louis River.

I have not been informed by the department whether or not there was an appropriation for this work, but in any case only the most necessary work is being undertaken this year.

Yours sincerely,

Signed: GEOFFREY STEAD,
District Engineer.

A. T. LÉGER, Esq., M.P.,
Richibucto, N.B.

That differs materially from the information he gave me and from his report to Mr. Carvell, and, therefore, as I said before, I do not want this sort of thing to happen again. I do not blame the minister nor the Government. What I am complaining of is the part taken by the engineer in order to dodge this work,—probably on the instructions of his general foreman. That is all I know about the matter myself. I hope that what I have placed before the committee will be of some use not only to my own county but to other counties also.

Mr. FIELDING: This dredging service is one of the most important services in the Maritime Provinces, and I have no doubt the minister is doing his best with the limited equipment at his disposal. In the present state of the country's finances we cannot expect to have a larger equipment; but at the same time I should like my hon. friends to keep in mind that, whenever the finances of the country permit, the dredging equipment in the Maritime Provinces should be enlarged.

Mr. J. D. REID: There are many important harbours on the Atlantic coast, and we have a number of dredges which we are, during the present year, using to their fullest capacity at the most important points.

Mr. MARCIL (Bonaventure): What is contemplated being done in the Restigouche river in Quebec this year?

Mr. J. D. REID: In the Restigouche river, N.B., we expect to do some dredging in the channel.

Mr. MARCIL (Bonaventure): Restigouche river is in Quebec also.

Mr. J. D. REID: This is for Restigouche river in New Brunswick. We are sending dredge P.W.D. No. 3 there.

Mr. MARCIL (Bonaventure): Is the department doing any dredging at Cross Point, Quebec, on the Restigouche river? The department has done some dredging there before.

Mr. J. D. REID: We may do it. I cannot say just now.

Mr. SINCLAIR (Antigonish and Guysborough): There is one very urgent case, Port Hilford, on the southern coast of the province of Nova Scotia. The Minister of Trade and Commerce (Sir George Foster) has been endeavouring to arrange for a call at that port by the S.S. Scotia which plies between Halifax and the eastern ports of the province; but dredging has been neglected at Port Hilford to such an extent that the owners of the steamer say that it is now impossible for them to make the call owing to the fact that the mud and sand have accumulated so much at the public wharf that there is not sufficient water there for the boat at low tide. For several years no attention has been paid to the dredging at that port, and the consequence is that if the matter is not attended to, the call of the boat will have to be abandoned and that would be a very serious matter for the people of that locality. Port Hilford is a flourishing village, the headquarters of considerable settlement and also the headquarters of the fishing industry. It is very important that a boat should call there, but that will be impracticable unless dredging is done. I mention the matter, so that the minister can give instructions to his officials to see that it is not neglected.

Mr. J. D. REID: I shall have a note made and bring the matter to the attention of the officials of the department. We have some ten dredges that belong entirely to the lower provinces; and as I stated a few moments ago, I have to depend almost absolutely on the judgment of employees of the department as to where is the most important work that should be done. They submit reports, and I think the hon. member will agree that dredges should be used only at points where they are most urgently needed. I shall, however, bring the matter to the attention of the officials of the department in order to see if something can be done.

Mr. DUFF: In order to show my constituents that I am not neglecting their interests, I should like to refer for a few moments to important dredging that should be done at Riverport and Lunenburg. I have already taken the matter up with the officials of the department, and whilst no dredging has yet been done, I must say that the officials have given me every courtesy and the matter their consideration. In the interest of my constituents and in the interest of the fishing business, which the minister knows is, in my constituency, the largest in Canada, I should like the department at the earliest possible moment to see that this dredging work is done at both Lunenburg and Riverport.

Mr. J. D. REID: Dredge No. 15 is to do some work at Lunenburg; and at Riverport, a good deal of work is to be done by dredge No. 5, the Northumberland.

Mr. DUFF: I wanted to bring the matter to the minister's attention just to show my constituents that I was not neglecting their interests. I appreciate what the department has done in the matter, and I trust that the work will be done in both places as soon as possible.

Mr. COPP: I wish to take this opportunity of drawing the minister's attention to the summary dismissal from a position in the Department of Public Works of Mr. J. K. Scammell, whose title, I think would be resident engineer of the St. John district. The information that has been given to me in regard to this matter is that Mr. Scammell was employed by the Department of Public Works for some eighteen years and spent most of his time in the district of St. John. Early in the war this man enlisted for service overseas, having obtained from the Department of Public Works the proper authority and leave of absence during the continuance of his services at the war. Under an arrangement at that time in force in all Government offices, employees of the different departments were, if they enlisted, given their Civil Service pay during the period of their services in the war, and whatever was paid to them for their military service was to be deducted from their civilian salary, so that they would receive the same amount which they would have received had they remained at home. Mr. Scammell went into military service; I do not think he had gone overseas; but on the 14th December, 1916, he received word of summary dismissal from his position, no particular reasons being given for this dismissal. He was, however, summarily dismissed while he was on active service. He proceeded overseas and was wounded, and while he was there and before being discharged, he had communication with the then Minister of Public Works in regard to the matter. The then Minister of Public Works admitted over his own signature that he had no doubt that Mr. Scammell had been improperly treated and stated that as soon as he returned to Canada and was discharged the minister would take up his case and see that he was given proper treatment. I have a large volume of correspondence in regard to this matter, but I do not desire to place it on record unless that is absolutely necessary. When Mr. Scammell returned from overseas and was discharged, he at once took the matter up with the Department of Public Works, also through the Department of Soldiers' Civil Re-establishment, the members of Parliament representing his constituency and the Great War Veterans. So far, nothing has been done for this man. I desire to put on record just one letter to show the feeling of the then Minister of Public Works as regards the treatment accorded to this official. I have met Mr. Scammell many times and I have some knowledge of his qualifications. So far as I have been able to ascertain there was no particular reason why he should be summarily dismissed, especially after he had been given leave of absence and had enlisted to defend his country, and after all the promises that had been made to the men who enlisted, particularly those in the public service. This man enlisted at an age when he could not be expected to enlist, and was granted leave of absence by the Public Works Department. I do not say that he was absolutely promised that he would be reinstated on his return, but he was given leave of absence, which was tantamount to it. While on active service he was summarily dismissed and he is now without a position, after serving his country and being wounded in the war. During the time he was serving even part of his pay was cut off, which is absolutely contrary to the promise given to all public servants who enlisted and went overseas.

Here is a letter that was written by the then Minister of Public Works, the Hon. Mr. Carvell, to Mr. Scammell on the 12th of November, 1917. That was getting pretty close to election time, as it happens. Mr. Scammell was overseas, and, as has been shown since, there was some effort being made to induce the men overseas to support the Government:

November 12, 1917.
On train.

Dear Mr. SCAMMELL:

Your letter of the 21st ultimo has just reached me, and I am very sorry indeed to learn of your accident. I want you to come and see me as soon as you reach Canada. I cannot reinstate you by cablegram, but want you to rest assurred that I am very strongly of the opinion that you have been unfairly treated, and I will do whatever can reasonably be done to undo the wrong.

The present incumbent of the office I understand is only in an acting capacity. The staff is very much overloaded and I will give it my personal attention just as soon as I get through with the elections, because up to that date it will be practically impossible to do anything.

Sincerely yours,
(Sgd.) F. B. CARVELL.

You will note that the minister would be delighted to see Mr. Scammell as soon as he reached Canada. "I cannot reinstate

you by cablegram," he says. The only mistake Mr. Scammell made apparently was that he allowed the matter to stand over until after the election. I realize that that is a very dangerous procedure. Here was a public servant, with over eighteen years service in the Department of Public Works, and so far as I have been able to ascertain, there was no charge against him. He enlisted at an age when he could not have been expected to enlist and got leave of absence from the department for the duration of the war. He went overseas, and while away was summarily dismissed. When he comes home and finds himself discharged he gets no recognition from the department, hardly even a courteous reply to his letter. I submit to the minister that unless there is some very good reason why this man should have been dismissed while he was serving his country, he should be reinstated. Irrespective of the question whether he should have been reinstated on his return or not, I say that the contract made by the Government should be carried out, and Mr. Scammell should be given his pay for the time he was overseas, because he was under leave of absence when he went to the defence of his country.

Mr. J. D. REID: I have not seen the papers in connection with the dismissal of Mr. Scammell, but my information is than at the time of his dismissal he had only been on leave of absence one week. He was then at Halifax, I believe, in training. There were charges made against Mr. Scammell, and it was on the recommendation of the assistant engineer, Mr. Dufresne, who is not now in the employment of the department, that Mr. Scammell was dismissed. At different times when I was Acting Minister of Public Works I came in contact with Mr. Dufresne, and I have the greatest confidence in him. I always found him a thoroughly reliable and honourable man. If my information is correct, there is not a member on either side of this House who would not admit when the facts were laid before him that Mr. Scammell's dismissal was perfectly justified. If the hon. member does not know the reasons why Mr. Scammell was dismissed I shall be very glad to give them to him, so that he will have an opportunity at some future time when the Estimates are up of saying whether or not he thinks his dismissal was justifiable. I am informed that Mr. Scammell has been given the reasons for his dismissal and has all the information, and if he has not already given it to the hon. member he certainly should have done so before asking him to bring this matter up in the House.

Mr. COPP: If that information was in the office of the Minister of Public Works, how does my hon. friend explain the letter written by the Hon. Mr. Carvell, who admits that a great wrong was done to Mr. Scammell?

Mr. J. R. REID: I would take it that Mr. Carvell, who had only been in office a few days before he wrote the letter, did not know the circumstances, but knew Mr. Scammell. Afterwards, on looking over the file, he no doubt came to the conclusion that Mr. Dufresne, or whoever made the recommendation for Mr. Scammell's dismissal, was perfectly justified by the facts. Mr. Scammell was dismissed in January, 1916, or almost two years before the Hon. Mr. Carvell became Minister of Public Works. I have no objection whatever to letting my non. friend see the file respecting Mr. Scammell's dismissal.

Mr. COPP: I thank my hon. friend for the opportunity of examining the file, but if there has been no investigation the file is of very little service, because on the one hand there will be the statements of the department, and on the other Mr. Scammell's statements, and I might feel that he had the best of the argument. Irresepective of that, I say that this man was given leave of absence to go overseas, and if he did not come up to the requirements of a district engineer, it seems strange that that was not found out during the eighteen years he was with the department, instead of a week after his enlistment. At all events, he enlisted under a contract practically signed, sealed and delivered, that he was entitled to his pay while overseas. That was the promise made to him immediately he enlisted. My hon. friend says that within a week after he had been granted leave of absence—I did not know that it was so short a time—as soon as he had turned his back on the department and donned the King's uniform to carry out his part of the contract, the Minister of Public Works, through his deputy or some other official, summarily dismissed him, leaving him to fight his own way after eighteen years service to his country. If he was incompetent a week after he enlisted, he was incompetent at some period of the eighteen years he was in the public service.

Mr. McKENZIE: Some years ago the Department of Public Works did some dredging in Little Bras d'Or in the county of Cape Breton to enable ships to get to a new mine opened up along that arm of the sea. The dredging was almost completed some years ago, but I believe it still requires a few touches to make the channel absolutely safe. No doubt the minister knows that in connection with these harbours and channels a record must be made of the depths of the water at the different entrances. I understand from information received either from the Department of Marine or from some other source that this record has not yet been made in the case of Bras d'Or harbour, which consequently is not listed. The navigators therefore have not the information as to the depth of water which is requisite for the vessels of which they have charge. I would bring to the attention of the minister the fact that the work necessary to be done there is very slight and the report should be made to the Marine Department so that the proper record might be made. The minister probably understands the situation. If you go to a captain in Halifax who has charge of a vessel and ask him to go to Bras d'Or he will ask you what the depth of the water is. The place is not listed and though, as a result of dredging, the depth is now 22 feet, he will turn up his existing record which shows 8 feet, and it will be useless for you to tell him that the depth is really 22 feet. He will stand by the record he has. It is therefore necessary to have a proper official record as to the condition of the harbour. During the last eight or nine years the depth of the water has been sufficient, but the necessary record has not been made; and I would ask the minister, in conjunction with the department, to make the necessary record of that harbour. I might also remind the minister that some little dredging was done around the piers of Nova Scotia, notably at North Sydney, last fall. But the winter came on and the work has not been finished. Would it be possible during this summer to complete what was begun at North Sydney last year?

Mr. J. D. REID: With reference to the work at Sydney——

Mr. McKENZIE: There is Sydney and there is North Sydney. Which does the minister mean?

Mr. J. D. REID: Work will be done at both North Sydney and Sydney this year. With reference to the work at Bras d'Or, I have not the details with me at the present moment, but I will have a memorandum made for the engineering staff to see if we can have the work done this year. The point raised by my hon. friend that the work done by the Government in harbours should be made public is an important one. I am informed by the deputy minister that every year a list of the various depths is sent to the Marine Department, whose duty it is to advertise any changes that have been made in the harbours and channels. I understand that they do this, and if there has been any omission in this respect I should think the Marine Department would be responsible and not the Public Works Department. I am under the impression that the Marine Department has advertised these changes, but I will bring the hon. member's point to the attention of that department to ensure that the necessary information shall be given to the public.

[Mr. Copp.]

Mr. McKENZIE: I have always understood that the major part of the work was done at Bras d'Or but that there are a few lumps here and there that have not been quite cleaned out, and for that reason it was impossible for the Marine Department to make with certainty any record as to what the depth was. If they put on the record that there is a clear channel of a certain depth and width, that statement must be a positive fact; it will not do to say that part of the channel is clear but that there are lumps in the middle where a ship might ground. I understand that there were parts here and there in that very important harbour which were not quite finished and consequently the Marine Department could not make a complete record.

Mr. J. D. REID: Of course, if there is one lump not cleared away the channel can only be listed at the lower depth, and therefore the hon. member is quite right when he says that the department could not make a record of the increased depth. I have had the deputy minister make a note to see just what the trouble is in connection with the place, and if there are any lumps they certainly should be cleared away at the earliest possible moment. We shall take a note of the matter and try to have the work done this year.

Mr. McKENZIE: It was stated here yesterday that it is a matter of great importance and urgency that coal should be freely transported. Now, there is an important coal mine on this harbour, but all shipping of the coal is done by rail. There

can be no shipments by water until there is a clear channel. I refer to the Bras d'Or Coal Company. One of our friends, Senator Currie, is largely interested in it.

**Dredging—Ontario and Quebec, $450,000.**

Mr. MARCIL (Bonaventure): What do you intend doing in Quebec province under this item?

Mr. J. D. REID: The following is a list of the places at which work will be done: Port Alfred (Quebec), Saguenay River, Three River, St. Denis (Quebec), Vaudreuil, River St. Francis.

Mr. MARCIL (Bonaventure): Is this new work, or a continuation of work already begun.

Mr. J. D. REID: Mostly work we have begun.

Mr. MARCIL (Bonaventure): Dredging is provided in the Bay of Chaleur for the Maritime Provinces, but none is provided for Matane, Gascons and Rimouski in Quebec, with a shore line of 400 miles. These places have been asking for dredging for many years. I was sorry to see a letter from the minister a few days ago in reply to a request for the dredging of the Bonaventure river, stating that he was unable to do any work this year. This work was commenced some years ago. I sent a letter to him from Angus Maclean, who is in charge of the work at Bathurst, saying that as soon as entrance could be had into the mouth of the Bonaventure river operations could be commenced. I am sorry that the minister cannot see his way to continue the work already commenced there. Bonaventure river is one of the most important rivers in that part of the province. The timber limits tributary to it are very valuable and the constituency is practically tied up for want of this work. I trust the minister will give the matter his serious consideration.

Mr. J. D. REID: All right.

Mr. MARCIL (Bonaventure): If the minister could send one of his dredges from New Brunswick across the bay to continue this work and to permit these boats to enter the mouth of the Bonaventure river so that these mills could be started up again and the limits operated, because they are amongst the most important in Eastern Quebec, it would be greatly in the interest of the people of that part of the country.

Mr. J. D. REID: I will take it up with the officials and see if it is possible.

Mr. MARCIL (Bonaventure): Does the minister contemplate appointing a resident engineer permanently for Bonaventure county?

Mr. J. D. REID: No.

Mr. MARCIL (Bonaventure) I had an answer from the minister the other day that Mr. Trudeau was acting temporarily at the present time.

Mr. J. D. REID: We cannot make any permanent appointments at present.

Mr. MARCIL (Bonaventure): I am not urging a permanent appointment but I would like to know the policy of the Government. Is it the intention to discontinue these resident engineers? In my constituency where there has been no work for the last ten years, I have often wondered why a resident engineer should be kept.

Mr. J. D. REID: The policy of the department is to cut down the number of resident engineers. We have thirty-one districts in the Dominion and the policy of the Government is to cut them down about half. We are not going ahead with new works and we have quite a number of employees that we cannot find work for. We do not want to undertake new work on account of the financial situation. We have some old men who have been with the department for fifteen or twenty years and it seems hard to allow them to go without providing them at any rate with a few months' pay. There are a few who are fifty-five or sixty years of age and it has been a worry to us to see how we could be just and fair to these men who are good servants of the department. But circumstances have arisen under which we have no work for them. We have a Bill on the Order Paper, if it would only go through, by which we could treat them fairly on their retirement after their very long service.

Mr. MARCIL (Bonaventure): While the minister is looking into the dredging situation in Bonaventure he might ask his official to inquire into the state of affairs at New Carlisle. There is a splendid wharf at that point but it is filled up with sand. The Meig's Pulp Company of New York which has been carrying on the business of exporting pulpwood would like to use this wharf but it had to stop operations last year on account of not being able to utilize it. Unless there is some dredging now the wharf cannot be utilized at all which would be unfortunate because it cost a lot of money. New Carlisle is the shire town of the county and it is

regrettable to think that a public wharf remains unused because of the want of a few hundred dollars being spent on dredging.

Mr. J. D. REID: I will look into it.

Mr. FIELDING: The minister spoke of making some changes in the engineering staff. I understand that nothing has been done?

Mr. J. D. REID: That is right.

Mr. FIELDING: The matter is open for consideration?

Mr. J. D. REID: Yes.

Dredging—Manitoba, Saskatchewan and Alberta, $75,000.

Mr. COWAN: I am very pleased to see that the province of Saskatchewan appears in these Estimates but I think we ought to receive a little more consideration than we have in the past and I would draw the minister's attention to a condition existing in the constituency of Regina or rather on the border of it. Some years ago the Government raised the level of Last Mountain lake, which is a lake 65 miles long by one mile wide by building a dam and a bridge across the mouth of Last Mountain river and thus raising the level of the water by about six feet. There is an enormous body of water artificially created by the construction of this dam. Last Mountain river is a peculiar one in its natural condition. It is like the reversible falls at St. John; it runs both ways on the same bed at different periods of the year. They built this dam and it has had a bad effect on the whole Qu'Appelle valley because it has practically ruined the live stock industry in the valley as far as Qu'Appelle lake. By raising the water in Last Mountain lake they deprive the farmers and ranchers in the valley below the dam of the water that is necessary for their hay meadows, the result being that the farmers in that district have practically all gone out of the business and the few that are left are only keeping a limited number of cattle. That is the only part of the Regina district that is peculiarly adapted to stock raising. The whole city of Regina is deprived of the supply of milk and other products that it could have if the Government had not taken the action that it did take ten or twelve years ago. I thought that probably the Government to-day would, if they had the money, remedy the unfortunate condition which has been created there. The parties who were injured by flooding above the dam took action and recovered damages in the Exchequer Court. The parties who are above the dam are injured by an excess of water and the parties who are below the dam are injured to an equal extent by being deprived of water. All that is necessary is for two dams to be built. The work would cost probably $50,000 or $60,000, but if it is done it will restore the livestock industry in the Qu'Appelle valley which it is quite impossible to carry on now. I would urge the minister to take this matter up as quickly as he can because the farmers there are highly incensed at what was done by the preceding Government. Every week I receive letters of protest from the farmers who ask me to urge upon the Government that action be taken to have the dam blown up and a new dam put in with water escapes so that the water might be let out at the proper seasons of the year. The dam they put in is only a little thing, not half the width of this Chamber, and yet it has had a surprising effect. With a body of water 65 miles long and one mile wide, raised to a height of six feet, you can imagine the amount of water that is there, the result being that the whole valley is ruined by reason of the fact that the farmers are deprived of the necessary water to carry on their business.

Mr. J. D. REID: This is the first I knew of this situation. I shall take the matter up with the officials of the department and see what is necessary to be done and what action we can take during the present year.

Mr. CASGRAIN: I thought, while the minister was answering the hon. member for Bonaventure (Mr. Marcil) I heard him mention some places where dredging should be done and among them the river St. Francois. If that is true I would thank him for his attention to that part of the county, because recently demands have been made by the people for certain dredging to be done in order to accommodate schooners and sail boats. I have received communications stating that the entrances to St. Simeon's Bay and Baie Rocher near the Saguenay river are in such a bad condition that schooners and steamboats are unable to enter safely. There is a great pulp industry in that part of the country and in order that steamers, steam barges, sail boats and schooners may be able to go there day in and day out it is absolutely necessary that certain work be done immediately. I would be glad if the Government could see its way clear to doing something in that line.

Mr. JOHNSTON: Regarding the statement of the hon. member for Regina with

respect to the waters of Last Mountain Lake if I understood him correctly he said that the water of the lake was six feet deeper than it should be. I cannot concur in the hon. member's statement.

Mr. COWAN: I said it was six feet deeper than it naturally was.

Mr. JOHNSTON: Well, it is not too deep at the present time. Last Mountain Lake is the only body of water in central Saskatchewan, and it provides a pleasure resort for the people in all that part of the country. While what the hon. member said, as to the water being held from off certain lands in the valley may be true, I think it is a matter that the Government should carefully consider before they take any steps to do away with the dam. Last year a move was made along the line suggested by the hon. member for Regina, and the other side of the question was put up to me as this lake is located in the constituency that I have the honour to represent. A largely signed petition was sent to me against any move towards lowering the water in Last Mountain lake and therefore I would advise the minister to thoroughly investigate the matter before he undertakes to do anything on the representations as made by the hon. member for Regina.

Mr. COWAN: Will you permit me, Mr. Chairman, to speak again for just a minute. There is no intention of attempting to lower the level of Last Mountain lake and I do not wish to take the dam away. I did not say that and I want the hon. member to withdraw the statement. What I said was that I wanted a dam put in there with sluices in it so that the water could be regulated and let out what is necessary for the farmers below. That is all that is asked. I hope the hon. member will be more careful and not put into my mouth words that I did not use.

Mr. JOHNSTON: The hon. member is getting unduly excited. I did not state that he had said the dam should be taken away; if he will read my remarks in Hansard tomorrow he will see that I did not. What I did say was that the minister should not pay too much attention to the representations that were made by the hon. member for Regina in his remarks. I said that the hon. member from Regina had said that some people had asked that this dam should be blown up; to this I took exception and that is all I stated.

Mr. COWAN: I am very pleased to see that the farmer representative is looking after the interests of the pleasure-seekers around Last Mountain lake instead of the farmers in the Qu'Appelle valley.

Mr. JOHNSTON: I do not wish to continue the controversy with the hon. member for Regina.

Mr. COWAN: You had better not.

Mr. JOHNSTON: As far as that is concerned I think I can take care of myself, but the point is this: As I have said Last Mountain lake is a pleasure resort not only for the people in the towns and cities in that country but also for the farmers who like a day of recreation once in a while; and if any harm has been done to the farmers in the Qu'Appelle valley others may have been recompensed to a probably larger extent and the matter should be thoroughly investigated before any change is made.

Mr. McKENZIE: It seems to be a question of something like dynamics that the hon. member for Regina has given us. I can quite understand that a dam would stop water until it got to a certain level, but after reaching the height of the dam would not the water go over its edge and run into the valley below?

Mr. COWAN: To a very limited extent. The water has been raised, and that is what I have been trying to impress upon the committee, to six feet above its natural level.

Mr. McKENZIE: And then would not the water run over the dam?

Mr. COWAN: It would if there was any left. But the dam is there and it carries the water into the lake. By the time it has got into the lake there is no water left to any extent in the Qu'Appelle river and there is practically none for the farmers below. I wish it to be distinctly understood that vested interests have been created by the establishment of a large number of pleasure resorts on that lake. I am not wishing those interfered with at all, and the engineering process which I recommend will not have that effect. It will not lower the level of the lake at all, the water can be retained and only such a flow released as will be required for the farmers below.

Mr. McKENZIE: I can quite understand the hon. member's persistency.

Mr. COWAN: I am Scotch.

Mr. McKENZIE: But on account of the flow of water they have there the laws of gravitation do not seem to be the same in that part of the country as elsewhere.

Mr. CAMPBELL: May I ask what dredging it is proposed to do in the province of Manitoba this year?

Mr. J. D. REID: There is the Red river (St. Andrews); Winnipeg beach; Red river (Sugar Point); Selkirk (Blue channels); Winnipeg channels, the Pas, the Winnipegosis, Snake island, Selkirk, the Forks, the entrance channel to Red river.

Dredging, British Columbia—$400,000.

Mr. J. D. REID: I understand the Minister of Finance wants to go on with some of his Bills, and therefore I move that the committee rise and report progress and ask leave to sit again this day.

Motion agreed to, and progress reported.

## SPECIAL WAR REVENUE ACT AMENDMENT, 1915. (BILL 183.)

On the motion of Sir Henry Drayton (Minister of Finance) Bill No. 183 to amend the special War Revenue Act 1915, was read a second time and the House went into committee thereon, Mr. Boivin in the Chair.

On section 1—Stamp tax, bills and notes, etc.

Sir HENRY DRAYTON: I move that the further consideration of this clause be postponed and that we proceed to the consideration of clause 2 which deals with the luxury tax.

Motion agreed to.

On section 2—New excise taxes, etc.

Sir HENRY DRAYTON: I would like to move in view of the other increases which have been made and in order to bring the prices properly into line, that the item as to caps be changed so as to provide for the taxation of caps in excess of $3 in place of $2.

Amendment agreed to.

Mr. McMASTER: Might I ask the minister whether he does not think that the word "neckwear" in the item:

Neckties and "neckware" and scarfs men's and boys', in excess of one dollar and fifty cents each.

is not a little ambiguous, unless it has some special meaning given to it in the Custome schedule? I am afraid that possibly it might be interpreted to mean collars.

Mr. BELAND: There are very few over $1.50.

[Mr. McKenzie.]

Mr. McMASTER: But at the rate prices are climbing no one knows when a very high collar may sell at a very high price.

Mr. PEDLOW: With reference to the item:

Kimonas, petticoats and waists in excess of twelve dollars each;

There is also another item on page 7, line 27, which reads as follows:

Silk clothing, including artificial silk clothing, not elsewhere specified;

The item now under consideration refers to petticoats and waists in excess of twelve dollars each. A large proportion of these articles are now made of silk, and you will notice that the other item I refer to deals with silk clothing not elsewhere specified. In view of the fact that so much of this line of merchandise is made of silk, it will follow that all silk waists and petticoats will come under the latter item. I would suggest that the words "petticoats and waists made of silk and other material" be inserted to avoid any difficulty in determining which of these two items will apply.

Sir HENRY DRAYTON: I beg to assure my hon. friend that as matters now stand all kimonos and waists whether silk or otherwise under twelve dollars are not taxed. The exception in that instance is not made in connection with silk kimonos, although we have made it in connection with dresses.

Mr MARCIL (Bonaventure): I did not hear the minister's explanation of how he came to fix the prices of the articles mentioned in these various items. Is it arbitrary, or did he secure information regarding the actual retail prices?

Sir HENRY DRAYTON: It is the result of investigation. Retail prices are many in number and they differ just as widely as the weather and as suddenly sometimes, and with even less reason.

Mr. PEDLOW: I appreciate the ruling made by the minister on the point I have already raised, but difficulty will arise unless the ruling is incorporated in the Bill, because the subsequent item refers distinctly to silk clothing not elsewhere specified, and in this case it is not specified. These garments may be made of silk, and then, if my reading is correct, this item will include all silk waists and petticoats regardless of price.

Sir HENRY DRAYTON: If my hon. friend will turn to page 9 he will see how

we deal with dresses. For example, "misses' and women's dresses, except silk, in excess of $45 each." As silk kimonas are not excepted, that is, when made of silk which is otherwise specially provided for, they must be free of taxation. The same rule applies throughout.

Mr. McMASTER: This law will have to be interpreted by several hundred thousand merchants, many of whom will not be accustomed to interpreting technical documents. Might I suggest that when the law is finally passed the Department of Finance prepare and issue a book giving examples of just how these taxes will work out?

5 p.m.

Sir HENRY DRAYTON: We intend to get out directions of the plainest possible kind in the form of large cards which may be hung up so that any one can tell at a glance how these taxes apply.

Mr. MARCIL (Bonaventure): Will the minister see that these are printed in both languages and distributed wherever there is any considerable French population?

Sir HENRY DRAYTON: With much pleasure.

Mr. PEDLOW: For the sake of correctness I would suggest that instead of the words "hose or stockings" the correct trade term be used, namely, "hosiery." Hose refers to rubber hose for gardens and fire reels. It is a mere matter of detail, but when framing the Bill we may as well be correct.

Mr. LALOR: The hon. member from Renfrew (Mr. Pedlow) is a dry goods man of long experience, and I would suggest to him that "half hose" would be the proper term.

Mr. PEDLOW: I stand corrected. It should be half hose for men and hosiery for women. Those two corrections are absolutely right.

Sir HENRY DRAYTON: I was under the impression that hosiery was a word of general application; that it would cover all kinds of knitted goods.

Mr. PEDLOW: Not at all. The correction made by my hon. friend (Mr. Lalor) is absolutely right. It should be half hose for men, hosiery for women and girls. As regards the item:

> Underwear consisting of shirts and drawers in excess of $4 per separate garment.

That should read:

> Underwear, either shirts or drawers.

To say: "consisting of shirts and drawers" means two garments as one.

Mr. MORPHY: The clause reads:

> Underwear, consisting of shirts and drawers in excess of $4 per separate garment.

"Underwear, consisting of shirts and drawers"—that is the class. "In excess of $4 per separate garment"—that cannot be made plainer.

Sir HENRY DRAYTON: That seems to be all right.

Mr. COCKSHUTT: As regards the item:

> Coats, the component material of chief value being fur, including repairs thereto, in excess of $200 each.

Do I understand from that that all repairs that do not come up to $200 on an old coat, are exempted? It is not often that repairs on a coat would cost $200. The wording is not very clear.

Sir HENRY DRAYTON: The hon. member is quite right. We make no charge at all for repairs unless they are so expensive as to cost more than $200.

Mr. PEDLOW: Should not the item "artificial bait" in line 45 on page 6 be under clause 4, subsection (f) relating to liquor, with a tax of $2 per gallon?

Mr. MORPHY: That is the kind used in the Public Acounts Committee for fishing.

Mr. PEDLOW: As regards the item:

> Collars and collarettes of lace and all manufactures of lace in excess of $2.

That should be more specific; this item may cover an article that is $2 each, or $2 per yard, or $2 per dozen.

Mr. McMASTER: There is a legal principle of interpretation which says "collars and collarettes of lace and all manufactures of lace will be manufactured lace of the same sort." That is the law of ejusdem generis.

Mr. PEDLOW: If this schedule is to be interpreted by ordinary dry goods men, who are not lawyers and who are not familiar with legal phraseology in the construction of a sentence, the item should be more specific, so as to show exactly whether it applies to a single article, an article by the yard or an article by the dozen.

Mr. HAROLD: I think it is my duty again to bring before the minister the item of furs. The exemption for piece furs, neckpieces, muffs and so on, is only $35.

Now that the minister has decided, on account of certain exemptions having been raised, to change another item, I should like to ask again if it would not be possible to have this exemption raised to $50? We are legislating in the hottest weather of the year; but we must not forget the cold weather of winter, and also that in this city, as well as in other large cities, there are many girls who have to get up at seven o'clock in the morning to go to departments to work.

Mr. LAPOINTE: Which department?

Mr. HAROLD: They may have to go some distance but in any event it is very cold on winter mornings, and I feel that this is a necessary article of wear. From careful inquiry I find that you cannot get at any such price as is mentioned in this schedule, a fur that would be worn by the women of this country. If the minister will raise the exemption to $50, I am sure he will not have occasion to regret his action.

Mr. MORPHY: My hon. friend (Mr. Pedlow) made a suggestion that I think has some virtue in it in regard to the item:

Collars and collarettes of lace and all manufactures of lace in excess of $2.

I am not conversant with the trade, but I would suggest inserting the word "piece" before the word "manufactures" so as to individualize the article and make it conform with the words "collars and collarettes."

Mr. PEDLOW: If the minister intends to make a change, the better way of disposing of the matter would be to insert after the words "two dollars" the word "each" and the words "or by the yard."

Sir HENRY DRAYTON: That would not do because the limit on lace is 50 cents per yard.

Mr. PEDLOW: This is "manufactures of lace."

Sir HENRY DRAYTON: I move that clause 2 be amended by adding after the words "two dollars" in the 22nd line on page 7 of the Bill, the words "per article." That would individualize the article, if it is not already clearly enough individualized.

Mr. PEDLOW: That will not meet the situation, because a lot of material manufactured of lace that is sold by the yard will not be considered "an article." Two items are really needed to meet the situation: (1) Collars and collarettes, and (2) all manufactures of lace in excess of $2 per yard. If we do not make some such provision some poor fellow will be penalized for unintentional violation of this law.

Mr. BELAND: Will the hon. gentleman give us an example of what might happen if the clause reads as amended?

Mr. PEDLOW: Some merchant may think this item does not apply to manufacturers of lace by the yard. He may in all good faith interpret the clause in that way, and be penalized.

Sir HENRY DRAYTON: Lace is lace, and a manufacture of lace is lace, unless it is turned into some specific article. We provide for a tax on lace in excess of 50 cents per yard, and for a tax on lace which is made into an article costing over $2. There are a lot of things made out of lace besides collars and collarettes. There are lace doilies, for instance, of which there is quite a large sale, centrepieces, and the like. That is the sort of thing I am thinking of when I say "manufactures of lace." The limit in all these cases is $2 per article. I am told this is the exact language in the French Treaty and the wording used also in the customs tariff. It is well understood.

Mr. PEDLOW: Will this section, or the preceding one apply, for instance, to lace frilling that sells for $2 or $3 a yard? There is lace frilling on the market that sells as high as $6 and $7 a yard.

Sir HENRY DRAYTON: I should think the preceding section would apply.

Amendment agreed to.

Mr. CAMPBELL: I want to support the contention of my hon. friend (Mr. Harold) regarding fur pieces, that is, muffs and neckpieces. I think his argument is absolutely sound. I shall not go over it again, but I thoroughly endorse it. There is another matter. The limit is $200 for fur coats. Now even at the present prices of furs, which are considerably less than they were two or three months ago, it is a very ordinary kind of fur coat that can be obtained for less than $200. Fur dealers contend the limit should be $300. I think we might split the difference and make it $250. That would let in ordinary coats for men and women, particularly women. A man can get a fur coat of a certain class at a less price than a woman can. I think the limit should be raised to at least $250.

Mr. MARCIL (Bonaventure): How are you going to meet the case of women who

make lace and sell it from door to door, as many of them do in the large cities?

Sir HENRY DRAYTON: They will all come under this.

Mr. MARCIL (Bonaventure): They are not in business. They make the lace and sell it. Is a poor woman who earns her livelihood by making and selling lace required to send in a report to the department?

Sir HENRY DRAYTON: It depends on the price of the lace. Generally, the lace made by these people does not sell in excess of 50 cents a yard.

Mr. BUREAU: When this item which reads as follows:

Automobiles adapted or adaptable for passenger use, retailing for not more than three thousand dollars each and a tax of twenty per cent on such automobiles when retailing for more than three thousand dollars each.

was under consideration in the resolution I asked the minister to explain the significance of the words "adapted" and "adaptable." I wanted to know who would be the judge of last resort, in case of doubt, to determine the applicibality of these words, I was told that when the Bill was brought down it would contain definitions and that particulars would be given. I pointed out that there were certain vehicles which were practically passenger cars but which were used by electric, telephone, and telegraph companies to convey workmen with despatch to places where there was trouble. Although they are really passenger cars they are not used for any other than business purposes. I do not see any provision for the determination of this matter in case of dispute. Who will be the judge of last resort?

Sir HENRY DRAYTON: Since the matter was up before I have had the opportunity of looking into it, and I find that the phraseology is just the same as was used in the Special War Revenue Act, 1918. In regard to automobiles "adapted" or "adaptable" for passenger use, the interpretation of these words in case of difficulty is provided for under section 6 of the Act. The Customs are given authority to pass upon the matter, and these newer sections are merely incorporated into the Act. No question has been raised regarding the former wording as to automobiles.

Mr. DEVLIN: Will the minister explain just what are liquor cabinets, smokers' cabinets and tea wagons?

Sir HENRY DRAYTON: A liquor cabinet is an article which, in some parts of the country, will soon have become a curiosity.

Mr. ARCHAMBAULT: The cellars will replace it.

Sir HENRY DRAYTON: For some time yet I suppose we shall have to use smokers' cabinets, and tea wagons are becoming more and more popular.

Mr. DEVLIN: Thanks very much.

Mr. REID (Mackenzie): Before the clause is agreed to, I desire to revert to the item:

Firearms, shells, or cartridges for use other than for militia purposes.

Out West the little 22 rifle is used very extensively for killing gophers, and I should like to see the minister exempt 22 shells from the tax. Very often a boy is given a rifle and is told to shoot gophers, and it would aid production if these creatures were killed, for a gopher will eat one bushel of wheat in a year.

Sir HENRY DRAYTON: No doubt it is a good thing to kill gophers, but the extra accounting and trouble to which we would be put by making an exception in this respect would not be justified by the saving that would accrue to agriculture by the destruction of the gophers.

Mr. BELAND: In connection with the tax on spirits and medicated wines, is there any special amendment provided in favour of hospitals? I understood the minister to say the other day that he intended to bring in an amendment regarding hospitals.

Sir HENRY DRAYTON: It was pointed out at the time that the Government would deal with that question under section 92 of the Audit Act, which enables refunds to be given. It would be impracticable to make any exemption here.

Mr. BELAND: Is that satisfactory to the hospital authorities?

Sir HENRY DRAYTON: I do not know whether it is or not; it has not been discussed. You could not very well make any exemption here, however.

Mr. DEVLIN: Is it in keeping with the doctrine that is being preached by the President of the Privy Council in the interests of good health to charge a tax of $2 per gallon on tooth washes? I am referring to line 28 on page 11.

Sir HENRY DRAYTON: Those are tooth washes containing alcohol.

Mr. DEVLIN: Yes. I am not a chemist and my knowledge of chemistry is very limited. I really do not know the preparation in tooth washes, but I do know that these washes are essential to every one and are recommended by doctors and boards of health; and even the President of the Privy Council would hardly object to a tooth wash being used with a tooth brush.

Mr. ROWELL: There is not the slightest objection so far as I am concerned.

Sir HENRY DRAYTON: I hasten to assure my hon. friend that he need have no apprehension on the score of tooth washes and powders. The great majority of them do not contain alcohol, and even in respect of those that do contain it the tax will not represent a serious hardship. We are now cancelling the stamp tax.

Mr. REID (Mackenzie): With regard to the tax of 20 per cent on patent medicines, I would ask the minister to take into consideration again the reduction of this tax. I think it is an injustice to those who live away out in the country any distance from drug stores, that they should have to pay a tax on patent medicines when they come in. The patent medicine is the country people's doctor in a great many cases and I do not think it should be taxed.

Mr. CHAPLIN: The hon. member will observe that this refers to proprietary and patent medicines that contain alcohol.

Mr. BURNHAM: I would like to say a word for once in support of the contention of my hon. friend from Mackenzie (Mr. Reid). Illness is something that the poor cannot avoid or evade. It is something they do not bring upon themselves, and it seems to me that a necessity like this ought to be very tenderly dealt with. People who are compelled to seek remedies of this sort should have every opportunity of doing so. I would rather pay an extra tax on the half measure known as our sessional indemnity than see poor people with large families stuck for a tax on their little remedies.

Mr. SIMPSON: In section 19 "tax on sales," page 12, we read:

> The tax shall be paid by the purchaser to the wholesaler or manufacturer at the time of such sale.

The majority of sales are made at one time and the goods are shipped at a later date. The invoice is sent out at the time the goods are shipped. Some of these invoices call for payment in ten days, some for payment in thirty days, while some specify different periods of time. Will that be interpreted to mean that the sales tax will have to be paid at the time the invoice value is paid or prior to that?

Sir HENRY DRAYTON: The intention is that it shall be at the time payment is made. If there is any doubt I suppose it would be made quite clear by using the word "payable."

Mr. COCKSHUTT: What is the object of using the words " sales and deliveries?" Is it likely that a sale will be made without delivery or that delivery will be made without a sale? It does not appear to me that these terms are necessary. It rather presumes that there may be a sale made and that the goods will not be delivered. Further, with reference to what a wholesaler is and what a retailer is, I do not know whether the minister has any new light on the interpretation of those terms since we had the question up before, but it seems to me that they are unnecessary.

Mr. BUREAU: The point I want to raise has reference to the 45th line on page 11 of the Bill. I think the attention of the minister has been called to the words "retailers or consumers." The Bill speaks of sales by manufacturers to retailers or consumers. Let us see what that would mean. I have an example here in a letter which was written by Mr. McMaster, in which he says:

> There are specialties and parts of equipment one kind and another, manufactured from steel, where we, as manufacturers, would pay one per cent on our materials. We would sell to a concern manufacturing a car bolster, for instance, exacting one per cent on our sale. This company would require to exact one per cent on their sale to the car manufacturer and he, in turn, would exact two per cent from the railroad, showing that, under such circumstances, the tax has been levied five times.

Take a case where the manufacturers become the consumers by reason of buying their raw material from some one else. They buy it from a manufacturer, and although they are manufacturers themselves, they are at the same time consumers and they have to pay a tax of two per cent, whereas the jobber or wholesaler only pays one per cent. Take the manufacturers of acetic acid. They are manufacturers and at the same time they are retailers. They distribute their goods all over. They do not go through the hands of the jobber or the wholesaler. They deal direct with the

consumer, and as manufacturers they buy their carbide calcium and make their acetic acid. They would have to pay two per cent as distributors.

Sir HENRY DRAYTON: Calcium carbide is exempt under this clause.

Mr. BUREAU: Calcium carbide gas is not exempt because it is not used for the purpose of lighting. I think it should be exempt. I have been asked if the word "consumer" could not be further defined so as to indicate the ultimate purchaser who is buying for his own personal use and the commodity will not go any further after he has bought it. The article entirely ceases to change hands the moment it goes into the hands of the consumer. I submit that if it be thought proper to give a further definition to the word "consumer," now would be the time to do it.

Sir HENRY DRAYTON: Under the method of administering the tax the manufacturer is never looked upon as a consumer. The consumer is looked upon as the person to whom the article is transferred and with whom it stops. In connection with the matter raised by the hon. member for West Algoma (Mr. Simpson) I would suggest that the word "paid" might well be made "payable." I move that the word "paid" in the third line, page 12, shall be struck out and that the word "payable" shall be inserted in lieu thereof. The point was raised that the word "paid" referred to the time when the arrangement for the sale was made, but that the money would not be paid for some time afterwards. What I propose is to change the word "paid" to "payable," so that it becomes payable, but it need not be actually paid.

Amendment agreed to.

Mr. PEDLOW: What would be considered by the department to be the value for tax on importations? In arriving at the customs value for duty, the Customs Department allows a cash discount of 2½ per cent from the face value of all importations, when so stated on the face of the invoice, for customs purposes. Will this tax be collected on the face value or on the face value plus customs duty after 2½ per cent trade discount has been deducted? Will the customs duty be added to the value of the importation and this tax apply to these amounts taken together?

Sir HENRY DRAYTON: Yes. Now in the list of articles not liable to tax I find we have omitted to put in "split peas and pea meal and pea bran." I move that these words be added after the word "vermicelli."

Amendment agreed to.

Mr. REID (Mackenzie): I have not had time to read over this free list and in going over the changes so quickly it is scarcely possible to grasp their import. I would like to ask the minister if cream of wheat or wheat meal is in the list.

Sir HENRY DRAYTON: The rough breakfast foods are all covered; the rough flours are all covered; oatmeal and all that sort of thing are all covered; but specially prepared foods like cream of wheat, shredded wheat biscuits and corn flakes—the patented foods—are not exempted.

Mr. REID (Mackenzie): I see that wheat flour is mentioned but the food to which I refer is not wheat flour. We all know what it is, it is a breakfast food; it is not wheat flour.

Sir HENRY DRAYTON: That is not excepted. If my hon. friend refers to cream of wheat, that is a patented and specific article costing a great deal more than a cheap food.

Mr. COCKSHUTT: The other evening when this matter was up I pointed out that there is a kind of cracked wheat which is not a cereal wheat in packages; it is sold as openly as oatmeal. I think cracked wheat should be exempt; it is not a patented food at all, it is openly sold to anybody. It is simply a preparation of wheat just as oatmeal is a preparation of oats.

Mr. REID (Mackenzie): The wheat meal to which I have reference is taken from the wheat before it is ground into flour. It is a simple, ordinary meal.

Mr. ROBB: The minister could meet the point suggested by using the words "wheat or products thereof." That would cover all the objections which have been raised by hon. members.

Sir HENRY DRAYTON: I am afraid that would cover biscuits and fancy biscuits, and they are taxable. I may point out one thing: There will be a lot of points raised in the future that are not at the moment present to our minds. The underlying principle that we are following here is not to raise the price of any food essentials—although the foods that are of the more extravagant and luxurious type would be subject to this small tax of 1 per cent—so that if any injustice is being done, hon. gentlemen will see that at the foot of this

section the power is reserved to the Governor in Council to add to these exemptions "such other articles as he may deem it expedient or necessary to exempt from the said tax."

Mr. ROBB: I was going to ask the minister whether he has made provision anywhere in this Bill to tax sales of real estate, more particularly suburban lots that are sold throughout the country?

Sir HENRY DRAYTON: No, there is no such provision. I would like very much if we could put such a provision in the Bill but it was absolutely impossible for us to do it having regard to the difficulties of administration. One of the reasons for the delay in bringing down the Budget was to find out the exact reason why the tax in England had been abandoned.

Mr. ROBB: Where is the equity or justification for placing a tax on luxuries which some people consider necessities— for instance clothing, which is a necessity in this cold country—and exempting the chaps who put up a little shanty, ten by fifteen, buy a block of land perhaps five or ten miles out from a city, and start a real estate business upon which they probably clean up a thousand or two thousand per cent. They are represented as great business men, and these are the very men who carry on an agitation throughout the country in condemnation of persons who invest their money in an industry which probably employs five hundred or one thousand heads of families that yields them a return running only from ten to fifteen per cent on the investment. I submit, Mr. Chairman, that this is the time for the minister to get after these real estate boomers who do no good to anybody but increase the cost of living by running up the price of property. I think taxation of this kind might be a very legitimate source of revenue.

Mr. DOUGLAS (Strathcona): In connection with the list of food products which are exempted under this clause, may I ask the minister if the omission of jams and marmalade from that list has been intentional? Canned fruits and vegetables are mentioned specifically, but jams and marmalade are omitted for some reason. Was that intentional?

Sir HENRY DRAYTON: Jams and marmalade, particularly jams, are what are known as "pound goods." They are very much more expensive than canned goods, and are subject to the tax.

[Sir Henry Drayton.]

Mr. DOUGLAS (Strathcona): I may state for the minister's information that jams and marmalade are much more used by the poor than are canned fruits or vegetables of any description. It is the most economical food that the poor man can possibly get in the present day, and if the minister is going to make jams and marmalade a luxury I am afraid he will be acting against public opinion.

Mr. STEWART (Hamilton): I cannot agree with the opinion which the minister has expressed. I am sure that no article the poor man can buy is more serviceable than jam, and to class it as an article of luxury is a mistake. I do not think that anything that figures on the table of working people is more palatable or serviceable than jam.

Mr. NESBITT: It is only subject to 1 per cent.

Mr. JOHNSTON: I think the commodity referred to by the hon. member for Mackenzie (Mr. Reid) should be added to the list. The minister has already excepted corn meal, oatmeal, and other commodities. Wheat meal is used as a breakfast food almost to as great extent as any of the other articles and should be excepted.

Sir HENRY DRAYTON: I have no objection. I did not really know there was such an article outside of these specific foods. Hon. members having demonstrated that there is such a thing sold in bulk, following the principle which has been laid down wheat meal should be treated in the same way. I therefore move that after the words "wheat flour" the words "or meal" should be added.

Amendment agreed to.

Mr. SEXSMITH: I notice that rice and rice flour are excepted. Now there is an immense quantity of pulp rice turned out by the Quaker Oats Company, of Peterborough, which is used as a breakfast food. It should also be excepted.

Mr. LALOR: That is put up in a package.

Mr. BUREAU: I want to get a pronouncement from the minister as to whether acetylene gas for the manufacture of acetic acid would not come properly under the exception. I do not want to move an amendment provided I am assured that the Governor in Council will take the matter up.

Sir HENRY DRAYTON: We will consider that.

Mr. SUTHERLAND: Under this clause, Mr. Chairman, every manufacturer and wholesaler is required to take out an annual license. In the case of a small manufacturer, for instance, a harness-maker, who may be doing mostly a repair business, would be considered a manufacturer if he sold occasionally a hames strap at 25 cents, and would he be obliged to collect duty on that sale? I have had inquiries in reference to the matter, hence my bringing it to the minister's attention.

Sir HENRY DRAYTON: There is no tax whatever on repairs.

Mr. SUTHERLAND: It is not a repair; it is a new article cut out of leather.

Sir HENRY DRAYTON: I suppose as long as he makes anything in sufficient quantity to be worth while bothering about he is a manufacturer. If he is making only hames straps, he may be making thousands and thousands of them.

Mr. BELAND: The ordinary country harness-maker may make a few sets of harness during the year, his main business being repairs.

Sir HENRY DRAYTON: We would not look upon him as a manufacturer. Mr. Chairman, I would like to state that since we made the exception as to wedding rings I find that matters have gone on at such a pace since I was married, that now expensive wedding rings of platinum set with precious stones are sometimes used. The intention of the committee, I think, was the same as mine, that the exemption should apply to plain gold wedding rings.

Mr. BUREAU: Those are the only wedding rings.

Sir HENRY DRAYTON: These expensive rings are called wedding rings.

Mr. BUREAU: They do not bind.

Sir HENRY DRAYTON: I do not know about that. I therefore move to amend line 20 on page 8 by inserting the words "plain gold" after the word "except," so that the exception will read: except plain gold wedding rings.

Mr. McMASTER: The whole tendency of legislation should be to encourage marriage, and if wedding rings decorated with precious stones are necessary to induce young ladies of expensive tastes to marry, I really think the Government might exempt such rings.

Mr. BUREAU: It would not be biblical.

Amendment, and section as amended, agreed to.

On Section 3—Amendment to Act, repeals, etc.

Sir HENRY DRAYTON: A section which should be repealed was omitted when the Bill was printed. I beg to move to amend this clause by inserting after the word "eighteen" in line 49 on page 13 of the Bill, the following words:

Subsection eight of section nineteen;

Amendment, and section as amended, agreed to.

On section 1—Stamp taxes upon bills, notes, cheques, overdrafts, etc.

Mr. BUREAU: Under this clause I must refer again to the question I raised the other day about overdrafts. Take a man with a line of credit of half a million dollars and he borrows another half a million dollars; if his overdraft is uncovered for just a few days, when the bank makes its quarterly return that one million dollars would appear as his maximum overdraft and he will have to pay $40,000 tax besides the bank interest. I do not think that is in the interests of the country. Take another case of an overdraft. A lawyer, say in Montreal, is acting in expropriation proceedings for the Canadian Pacific Railway Company, and the owner of the land comes to him and says, "I will sell. Give me $40,000." The lawyer goes to the bank with his papers, the bank have confidence in him, and they mark his cheque for $40,000 to close the deal. It takes some time for the voucher to go through a big concern like the Canadian Pacific Railway Company, and as a result that lawyer will be taxed 2 cents per hundred dollars on the $40,000. He will lose $800, while his fee may be only $300. Under these circumstances only those who have big bank accounts and can handle large sums will be able to do business. I do not think this is the proper basis for taxing an overdraft. As I said the other day, when you give a one, two or three months' note, you get the benefit of the money,—you are at the peak load all the time; otherwise you are not, for although your overdraft may be for only twenty-four hours, if that appears in the bank return you will be taxed on it.

Sir HENRY DRAYTON: Since my hon. friend raised the point it has had some consideration. To cover to some extent the extreme cases that he mentions—

Mr. BUREAU: They are common cases.

Sir HENRY DRAYTON: I do not know. There are not very many people, Mr. Chairman, whom the banks would allow to have overdrafts to the extent my hon. friend has mentioned.

Mr. BUREAU: They are not overdrafts; the money is on the way.

Sir HENRY DRAYTON: I think something like this would meet my hon. friend's objection: Overdrafts to be taken into account for the purposes of this statement shall not be deemed to be outstanding until the fourth day on which the account is overdrawn.

Mr. BUREAU: I am willing to accept that.

Sir HENRY DRAYTON: That is something which would remove these accidental overdrafts entirely from the operation of the Act, and would merely tax overdrafts used for credit purposes.

Mr. VIEN: Could it not be extended to ten days? Four days is a very short time.

Mr. COCKSHUTT: I have had it called to my attention that overdrafts are used very largely by municipalities. It is a very common thing for a village, a township, or a county council to rely on an overdraft to carry them over until such time as the next instalment of taxes come in. Under this section their overdraft will be taxed 2 cents per hundred dollars. These overdrafts often run into hundreds of thousands of dollars in the case of big cities, and even small cities frequently have $100,000 overdrafts. I do not think the section will hurt merchants to any great extent because as a rule overdrafts are very unpopular with bankers. I do not know whether the minister has had this called to his attention, but it is certainly a very important matter for municipalities.

Mr. STEVENS: After all, this is a very small tax. In the cases mentioned by my hon. friend from Three Rivers (Mr. Bureau) it would be $8 and $200 instead of the figures he has given.

Mr. COCKSHUTT: But it keeps recurring.

Mr. STEVENS: It is a very small tax.

Mr. LALOR: I have sympathy not so much with the municipality that has to borrow money, because they can afford to pay this tax, but with such a case as that presented by the hon. member for Three Rivers (Mr. Bureau), where a business man or a firm borrows $40,000 or $50,000 in the way of overdraft, for in such a case it becomes a serious tax if repeated several times in a year. With the high rates of interest, with banks charging 7 per cent and liable to charge more, and with the tax on one's overdraft which may occur several times during the year, the item is a serious one.

Mr. DOUGLAS (Strathcona): I would like to support the contention of the hon. member for Three Rivers (Mr. Bureau). I have a case in point of a firm who are doing business as cattle buyers and meat packers, whose capital is somewhat limited, but who are serving a very useful purpose in the community in which they do business. These people inform me that they require to borrow from the bank very large sums of money on short-date notes, it may be five days or it may be ten days, and they are doing this throughout each month of the year, covering up in five or ten days, as the case may be, with the result that, during the whole year's operations, they use an aggregate of a quarter of a million dollars. This tax of two cents on each $100 is going to be a serious obstacle to their financing, and would effect a hardship on concerns carrying on such a tremendous business on such a small capital.

Mr. STEVENS: Does not the hon. member note that the tax on an aggregate of a quarter of a million dollars is only $50. It is one-fiftieth of one per cent.

Mr. DOUGLAS (Strathcona): I do not understand it as such, if the firm gives a note for $10,000 to-day, payable in five days or ten days, and two weeks hence, another note for $15,000 and so on.

Sir HENRY DRAYTON: That has been covered. When the proposals were first made, a great deal of opposition was taken by hon. members because, for exemple, in the wheat business, you have an accumulating account, an account which changes day by day. You may have an account for $5,000,000 to-day, evidenced by a demand note. To-morrow that account is slightly changed; the debt may then be $5,250,000, or a little under it, and so on throughout the month. That, of course, would have meant a multiple of taxation upon the same line of credit. When the first resolution was brought down, I did not appreciate that there was this large amount of duplication of demand notes which would pyramid the tax, small as it is. Therefore, in order to get away from that, I have changed that entirely in the Bill. The Bill to-day pro-

vides that, in case of these demand notes being given by the elevator companies, there shall be no tax on those day-by-day transactions, but that the only tax that is put on a demand note is the initial payment of two cents, and that during the credit period, which is defined as a three-months' period, there is only one tax paid on the multiplying scale. That is, two cents for every $100.

Mr. BUREAU: Four times a year.

Sir HENRY DRAYTON: Yes. That is taken upon the maximum of the credit.

Mr. BUREAU: That makes the tax eight per cent per annum in addition to the interest.

Sir HENRY DRAYTON: No.

Mr. STEVENS: The tax is one-twelfth of one per cent.

Mr. ROBB: The minister has submitted for an illustration the wheat business, but is one not really pyramiding the charges in the wheat business? For instance, when a farmer brings his wheat to the elevator, the elevator man gives him a cheque, on which he puts a two cent stamp. Then he puts a two cent stamp on the note that is given for the payment, the money advance the farmer requires. Supposing the wheat is sold the next day, another two cent stamp has to be put on the draft he makes on the buyer. The minister is pyramiding these charges three times.

Sir HENRY DRAYTON: My hon. friend has not read the Bill. There is only a two cent stamp on the cheque. There is only a two cent stamp on the draft. It is only on the instrument carrying credit for a length of time that the multiple tax comes in. If it is a three months' bill of exchange, the matter will be quite different. But in the case the hon. member illustrates, the result would not be that. The man would put a two cent stamp on his cheque and if he sold the wheat the next day in sending out a draft he would put a two cent stamp on his draft. As he had just bought and sold in that way the chances are that the transaction would be carried out on his own running credit. By the method proposed, so easy does it become that you could have thirty daily transactions in the course of your month involving a credit of $5,000,000, with only a tax on one transaction. The concession is even greater than that: you can have, during a course of three months, ninety daily transactions with a tax only on one.

Mr. COPP: Supposing a man gives a note for $1,000, payable two months hence. He has to put on that a stamp tax of 20 cents. At the end of two months he pays $200. Would he have to put a stamp tax of 16 cents on the renewal note for $800?

Sir HENRY DRAYTON: Yes.

Mr. COPP: Supposing he makes a note for $1,000 for a year, and at the end of the first month he pays $200. That is the same thing exactly, but he is paying taxes twelve times for renewals.

Mr. STEVENS: The holder of the note could endorse the payment on the back of the note.

Mr. COPP: If the man renews the note, it is exactly the same transaction, but in the case of renewals he pays the tax every time, although the first time he paid 20 cents.

Sir HENRY DRAYTON: The amendment that I suggest to get over the overdraft difficulty is this: I move to amend clause 1 by inserting after the word "bank" at the end of the sixteenth line on page three of the Bill, the following words:

> An overdraft to be taken into account for the purposes of the statement and the value of the stamps to be affixed, shall not be deemed to be outstanding until the fourth day on which the account is overdrawn.

Mr. CRERAR: Perhaps the minister will explain the purpose of that amendment.

Sir HENRY DRAYTON: The idea is to prevent a tax on an accidental overdraft, something which has happened resulting from delayed payment of a cheque, something which was not at all anticipated by the parties, something which really does not evidence a specific credit transaction. There is no tax whatever on this accidental overdraft of less than four days.

Mr. CRERAR: This seems to be rather a stiff tax. As I understand it the tax is based on the maximum borrowing in each quarter of the year. For instance, if a concern has borrowed $5,000,000 to carry on its business it pays a tax of two cents on each $100 for the first three months. If it borrows $6,000,000 in the next three months, another two cents per hundred dollars is added and so on through each quarter of the year. That is a very considerable tax on credits, and it works out rather unfairly in this respect: A

company, for instance, that is working largely on its own capital, through having a large amount of paid-up capital, will be taxed comparatively a small amount, and will also escape in large measure the business profit tax, whereas a concern with a limited capital, but whose credit standing is good, will pay a relatively heavy tax under this proposal and also a heavy tax under the business profits taxation.

Mr. LALOR: In the case of an overdraft at the bank of $50,000 or $100,000 which the bank allows to stand for three or six months or a year, is the tax repeated in each quarter?

Sir HENRY DRAYTON: The tax on overdrafts is a monthly tax.

Mr. LALOR: That is a heavy tax.

Sir HENRY DRAYTON: The original proposals have been changed because we thought they were too onerous. I feel sure that when the hon. member (Mr. Crerar) realizes the reduction we have made from the original proposals he will be satisfied with this tax. The reductions being made in connection with the grain business are in the ratio of 30 to 1, that is to say, where the original proposal proposed a tax of $30 under the present proposal the tax is $1. Where a man was enjoying a very large bank credit, say of $5,000,000 for eight months, the whole tax would only be $2,000 under the present proposals.

Mr. CRERAR: I do not quite understand that from my reading of the clause. If a concern in the first quarter of the year has a maximum borrowing of $6,000,000, the tax for that quarter of the year would be $1,200, and the same continues through each quarter. I would suggest that the bank should be called upon to make the return semi-annually instead of quarterly, which would cut the tax under these proposals in two.

Mr. LALOR: It is monthly.

Mr. CRERAR: No, quarterly.

Sir HENRY DRAYTON: It is quarterly so far as demand of brokerage notes are concerned, and monthly so far as overdrafts are concerned.

Mr. LALOR: I would cite the case of a man who bought $100,000 of Victory Bonds because he felt it to be his duty. He has an overdraft at the bank, in consequence, of $50,000. He has paid for half the Victory Bonds, and still has this overdraft of $50,000. Now at the end of the year he will be called upon to pay a tax of $200 odd under this proposal. That is a pretty stiff tax. Another thing: Banks do business in this way. Instead of giving a note for three or four or six months, business to-day is largely carried on by demand notes. As the money comes in from your customers, the demand notes are paid off, and as a result you are giving new demand notes from day to day or week to week. It is a pretty severe tax.



Mr. BELAND: They are all severe.

Mr. LALOR: This one hits the man that borrows money, not the man that has money.

Mr. COCKSHUTT: It appears to me from a reading of paragraph (13) of subsection 7 that this tax on the transfer of stock may have to be paid many times in the year, though I am not quite clear that the sale must embrace a transfer on the books of the company. For instance, there is the scrip issue. What I want to know is whether every time that scrip is bought as a speculation or a temporary investment, if it is not transferred on the books of the company, is the 2 cents collected every time the scrip changes hands? Then take mining shares. A mining share of the par value of $100 is often sold for $5 or $10. Would you put a 2 cent tax on that share because it had a par value of $100? It appears to me that this provision is not very clear. Does it constitute a sale every time scrip changes hands, or only when there is a transfer on the books of the company and the stock is registered for dividend by the proper owner?

Sir HENRY DRAYTON: On every sale.

Mr. BUREAU: When transferred in the books of the company.

Sir HENRY DRAYTON: Every sale. Most of these sales are made on the stock exchange.

Section agreed to.

Mr. CHAIRMAN: Shall the title carry?

Mr. PEDLOW: May I ask a question regarding the payment of taxes by purchaser or vendor? Subsection (3) of section 2 says:

> And such taxes shall be paid in stamps or otherwise by the vendor to His Majesty in accordance with such regulations as may be prescribed.

I submit that a definite ruling should be given on that matter to-day, so that the

retailer will know definitely what is required of him from this day forward. There has been a considerable amount of confusion during the past few weeks owing to the uncertainty. In all fairness to the retailers of this country, who are to be the tax collectors for the Government under these proposals, all doubt should be removed as to the method that will be adopted in place of the method that has obtained since the resolution was first introduced in the House.

Sir HENRY DRAYTON: Regulations will be made at the earliest possible moment after the legislation is adopted.

Mr. PEDLOW: Can the minister give us any approximate date?

Sir HENRY DRAYTON: We are now proceeding to work out the whole tax scheme. Orders have been given for dies and we hope to be able to have a comprehensive stamp regulation adopted along the line suggested by the hon. member.

Mr. PEDLOW: In the meantime the present method will obtain?

Sir HENRY DRAYTON: We shall have to go on as at present until we have this stamp.

Bill as amended reported.

At 6.30 o'clock the House took recess to meet at 8.30 p.m.

## After Recess.

The House resumed at eight-thirty o'clock.

## PRIVATE BILLS.

### CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill No. 159, for the relief of Mary Oakley.—Mr. Fripp.

Bill No. 160, for the relief of Margaret Elizabeth Cooper.—Mr. Mowat.

Bill No. 161, for the relief of Catherine Burfoot.—Mr. Nesbitt.

Bill No. 163, for the relief of Thomas Lindsay Thacker.—Mr. Blake.

Bill No. 162, for the relief of Margaret Henrietta Pettit.—Mr. Mowat.

Bill No. 145, for the relief of John William Wallace.—Mr. Wallace.

### SECOND READINGS.

Bill No. 169, for the relief of George Emerson Fox.—Mr. Ross.

Bill No. 180, respecting the Dominion Trust Company.—Mr. McQuarrie.



## PENSIONS COMMITTEE FINAL REPORT.

On motion of Sir Robert Borden the House returned to routine proceedings in order to permit the report of the Pensions Committee being presented this day.

Mr. Hume Cronyn, Chairman, of the Select Committee on Pensions and Re-Establishment presented the Third and final report of the committee.

## SUPPLY.

House again in Committee of Supply,—Mr. Boivin in the Chair.

Mines and Geological Survey—for the organization and equipment of the explosives division under the Explosives Act, chapter 31, 4-5 Geo. V, $22,000.

Mr. ARMSTRONG (East Lambton): What steps have been taken towards reorganizing the Mines and Geological Survey branches?

Hon. ARTHUR MEIGHEN (Minister of Mines): The Mines Branch and the Geological Survey Branch are both divisions of the Mines Department. The Department of Mines is of course a department by itself entirely unconnected with the Interior or any other department. The reorganization of the department has been undertaken. It has been made necessary by the very unfortunate number of resignations that have taken place, due in some degree to dissatisfaction with salaries and with reclassification and possibly due to other causes as well. We have, however, held in check the number of resignations and with some degree of success, particularly recently. The Deputy Minister of Mines retired some time ago, having requested superannuation after having been in the service for something like forty years. There has been appointed in his place Mr. Charles Camsell who, until his appointment, was Inspector of Surveys in the Geological Survey Branch for the province of British Columbia. Mr. Camsell arrived in Ottawa yesterday and has assumed the duties of acting Deputy Minister of Mines during the period of the absence on leave, which is his right, of the retiring Deputy Minister. Mr. Camsell, however, is in actual practice the Deputy Minister of Mines from the present day on. I do not know, and therefore cannot say, at the present time what other changes may be found necessary, but I believe that there will not be any further disastrous resignations—at all events I am in hopes that will be the case—and that the Mines Department can be very substantially strengthened and its service to the country very much

improved. I have been greatly impressed with the possibilities of the department since I took the responsibility of administering it.

Mr. BURNHAM: In what way were the resignations "disastrous"?

Mr. MEIGHEN: I said I hoped there would not be any further disastrous resignations; it is only a matter of degree. There have been some good men who have resigned from the department. There seems to be a particularly active demand now for efficient geologists by large mining and other concerns and they offer salaries which, temporarily at all events, are higher than can be afforded in the Government service.

Mr. MARCIL (Bonaventure): These men that have resigned have not yet been replaced?

Mr. MEIGHEN: No. We are seeking to replace them. Some have been replaced, but not the technical officers.

Mr. CHISHOLM: Will the minister give us the names of the men who have resigned?

Mr. MEIGHEN: Yes, I have the list here. In the Mines Branch, Technical officers T. W. Hardy, F. W. Baridon, R. E. Gilmore, R. C. Cantelo, William Campion, John Blizard, and G. C. McKenzie. There are some clerical officers as well.

Mr. MARCIL (Bonaventure): What are the salaries of the technical officers?

Mr. MEIGHEN: One man resigned twice. When he resigned first his salary was $1,600; when he resigned the second time his salary was $2,200.

Mr. McKENZIE: If he had kept on resigning he would have got the right figure.

Mr. MEIGHEN: Well, he is on the way. The salaries of the other men were: Mr. Baridon, $1,700; Mr. Gilmore, $2,300; Mr. Cantelo, $1,900; Mr. Campion, $1,600; Mr. Blizard, $1,700; and Mr. G. C. McKenzie, $2,400. These salaries are exclusive of the bonus, which would be applicable in certain cases.

Mr. SHEARD: What are the qualifications of these men?

Mr. MEIGHEN: Mr. Hardy was assistant engineering chemist; Mr. Baridon the same; Mr. Gilmore, research chemist; Mr. Cantelo, assistant engineering chemist; Mr. Campion, mechanical draughtsman; Mr. Blizard, technical engineer; and Mr. McKenzie, as all are aware, was the Chief of the Ore Dressing and Metallurgy Division which conducts a considerable establishment in the southwest end of the city.

Mr. SHEARD: What I wanted to ascertain particularly was the qualifications of these men. In discussing this matter with the Committee on Industrial and Scientific Research the statement was made that certain employees, or officers, in the Department of Mines were required not only to be graduates in science of a university, but also to have a Ph.D. post-graduate qualification and several years' field experience. I would like to ask the minister if that is true, and what salaries the Department of Mines pays to such men, if any are employed and such requirements are demanded.

Mr. MEIGHEN: The qualifications to which the hon. gentleman refers have been required not directly but in some degree, as he defines them, in the Mines Branch, not in the Geological Survey. I have read the resignations from the Mines Branch. I will now read the resignations—with the duties and salaries at time of resignation—from the Geological Survey.

Mr. SHEARD: And the requirements?

Mr. MEIGHEN: They will be evidenced pretty much by the duties, but I will give a further indication when I have finished reading the names: L. Reinecke, geologist, $2,700; L. D. Burling, assistant invertebrate palæontologist, $2,800; J. R. Cox, topographer, $2,000; J. J. O'Neill, geologist, $2,600; B. Rose, geologist, $2,400; A. O. Hayes, geologist, $2,400; B. R. MacKay, geologist, $2,400; E. L. Bruce, geologist, $1,950.

The system was adopted of securing these men, towards the end of their university course, for summer work, choosing them from the most successful students in our universities. Then, those that were most successful in the service and showed the greatest promise were encouraged to take further training, and those who took the Ph.D. work were given the preference. That was an additional qualification, though not an essential one, because many of them did not have that degree. Mr. Brock, who was Deputy Minister of Mines for some time, worked this method of selection by co-operation with the universities and I think obtained by it some very competent and highly qualified men. As a matter of fact, unless we have men of the highest qualifications—that is the very best in their line—in this work, the department might just about as well close its doors. There is no use in having even

moderately good men; we must have for this class of work the best men or we cannot have an efficient Mines Department and Geological Survey. We feel that we have there a good many of the best men yet; and while there has been some degree of disintegration it has not proceeded to the irreparable stage. I want to point out this too: The limitation, of the salaries at least, is not the sole responsibility of the minister of the department nor yet of the Governor in Council. The fixing of these salaries, minimum and maximum, is the primary responsibility of the Civil Service Commission. The need of men of first efficiency has been pressed upon the commission but I do not think has been taken into account to the degree that I would like to see. The commission feel that having regard to similar, or almost similar, technical officers required in other departments and their salaries, they have gone as far as they can justify.

Mr. SHEARD: What salary has the Civil Service Commission fixed for such positions?

Mr. MEIGHEN: I think I can give the new schedule. This is the re-classified scale: Geologists $3,300 to $4,200; associate geologist, $2,580 to $3,300.

Mr. ARMSTRONG (Lambton): Has the minister taken into consideration the advisability of placing the Mines Branch and the Geological Survey Branch under one head, as they were formerly, in order to put an end to a lot of overlapping that is now going on?

Mr. MEIGHEN: I would not wish to give a definite opinion on the wisdom of that course until the department has been thoroughly surveyed by the new deputy minister. I have heard of overlapping, and I have no doubt there is some; but usually when one makes a close examination the overlapping is not so serious as it at first appears. After conference with the deputy minister it may be decided to amalgamate the two branches, but I cannot say definitely at the present time.

Mr. SHEARD: Are the qualifications of that associate geologist at $2,580 a university degree in science a post-graduate Ph. D. course, or work akin to it, and field experience? Because if that is so I think this committee certainly ought to make a very strong recommendation to the Civil Service Commission to raise the salary. To my mind it is of vital importance that we should have the best and most experienced scientific men to lay out the plans and to erect the lines of prospective value of the geological formations of the country, and if that university training and that field experience are going to yield only that salary, I think it is a distinct menace to the department, for you cannot hope to get qualified men at any such salary. I would strongly recommend the minister to take that into his serious consideration.

Mr. MEIGHEN: The whole three qualifications mentioned by the hon. gentlemen are required, with this proviso: The degree is not indispensable, but the applicant must have taken his Ph. D. work in science.

Mr. SHEARD: Which requires at least two years' post-graduate training.

Mr. MEIGHEN: Three years. The minister has, I may say, taken it into his serious consideration, but he would require some statutory authority to supplement his "serious consideration" to be able to get results; the Civil Service Commission has the final say.

Mr. SHEARD: I would like to suplement my question by asking the minister if he does not think that the salary being fixed at such a figure, with the qualifications required and demanded, is a distinct menace and injury to the service? I certainly would not hesitate, so far as my humble opinion goes, to say it is.

Mr. MEIGHEN: I have taken the view and expressed it with some force, that the salary, considering the indispensability of these requirements, is fixed too low.

Mr. MARCIL: I notice that several of the provinces have mines departments, and I am often puzzled, when a question comes up in my own constituency, whether I should submit it to Quebec or to Ottawa. Would the minister say just exactly what the work is as between the Dominion and Provincial Governments, and whether there is any duplication of work?

9 p.m.

Mr. MEIGHEN: I cannot say that I could speak with anything like final authority as to whether there is not some duplication. I do not think there is serious duplication. The mines departments of the provinces exist where the provinces themselves have jurisdiction over and, indeed ownership, in the mines. Consequently they are not of a scientific character primarily but of a proprietorial character,

just as the Mines Branch of the Department of the Interior administers proprietorially the mines owned by the Crown in the right of Canada. To that branch of the Department of the Interior correspond the mining departments of the various provinces—Ontario, Quebec, New Brunswick, Nova Scotia and British Columbia. I have not observed that there is any overlapping. The Mines Branch is an organization for scientific purposes, first of all for surveying and examining the geological structure of the Dominion with a view to making known such formations as will be of assistance to prospectors and others in getting at the mineral wealth. Of the value of that, of course, there is no question. Indeed, the mining men of Canada would receive with despair and dismay any suggestion to contract the work of the Geological Survey; and the resignations that have taken place have been the subject to the most adverse comment by mining men. There can be no question of the vital necessity of that work, and no question that it can be most economically conducted in the interests of all concerned by one central authority. You cannot have a sporadic or localized geological survey; you must have one survey for the whole Dominion if you are going to have efficiency. I think I have set out as clearly as I can the fundamental difference. The Mines Department gives the same service to mining as does the Agricultural Department to agriculture.

Mr. McKENZIE: Would the minister enlighten me regarding the Explosives Act? I do not remember its provisions.

Mr. MEIGHEN: I was not in charge of the department when the Act went through this House, but I know it has to do with the supervision of the manufacture, storage and transportation of explosives with a view to public safety. This is $13,000 less than last year's vote.

Mr. McKENZIE: Does the Act cover explosives used by the Department of Militia?

Mr. MEIGHEN: Oh no; those are entirely under the Militia department.

Mr. McKENZIE: I thought that while being transported from one arsenal to another they might come under the provisions of the Explosives Act. What explosives does this Act particularly take care of?

Mr. MEIGHEN: If the hon. gentleman will renew his question a little later I shall be able to answer it when Mr. Ogilvie who is in charge of that work is present. I know that ordinary explosives come under the jurisdiction of the Act. I do not know whether T.N.T. is still manufactured. The chief object of the Act is to supervise the manufacture of explosives.

Mr. MARCIL: The minister no doubt is exercising supervision, but we have had an appalling frequency of explosions around Montreal—at Beloeil, Rigaud and other points. The hon. member for Chambly-Vercheres (Mr. Archambault) brought the matter up a short time ago. Is there any real supervision of manufacture?

Mr. BURRELL: All explosives, both those that we are familiar with and those newly discovered, have to pass a test under Colonel Ogilvie before they can be manufactured. It was with a view to getting uniform administration throughout the country that the Explosives Act was enacted in 1914. It was not proclaimed owing to war just coming on. Since that time and before the Act was proclaimed, all the provinces were consulted, and it was the desire of all the provinces that this should be worked in co-operation with their laws, and at the same time that a federal supervision should be exercised and no explosive manufactured except under regulations laid down by Order in Council and promulgated with very complete directions. Therefore, the whole matter is being worked in co-operation with the provinces, but under a general supervision exercised by the federal department under this particular Act.

Mr. PEDLOW: A few moments ago the minister made reference to resignations that have occurred in this department during recent months. Are these resignations the result of dissatisfaction in consequence of the work done by the re-classification experts? I have been led to understand, through newspaper reports and other information, that there has been considerable dissatisfaction all through the service as a result of the re-classification done by the experts brought in by the Government from the United States to re-classify the work and salaries of the Civil Service. The facts stated by the minister seem to confirm the impression that obtains, at least on this side of the House, that it was a decided mistake on the part of the Government to bring in these experts from foreign countries to overhaul and reclassify the Civil Service of Canada. It is certainly generally understood, whether it be true or not, that many of these resignations are the result of

dissatisfaction and are made as a protest against the treatment received at the hands of the experts that came to do the re-classification work.

Mr. MEIGHEN: I stated that this situation was to some extent the result of a feeling that re-classification did not afford sufficiently high salaries; but associated with that thought must be this, that at the present time owing to the high price of minerals, a great deal of mineral development is going on in the world and an exceptionally strong demand is being made for geologists, who are consequently able to command very high salaries in the outside world. It may be very seriously disputed that we should take cognizance of a possibly temporary situation of that kind and seek to compete, say for the time being, with these outside demands. I do not know that the committee is particularly responsible. The Civil Service Commission have thoroughly reviewed its work; the matter has gone to appeal; it has been heard by the board of hearing, and I do not think the experts to whom the hon. gentleman refers are on the board of hearing. The work has all been reviewed by the Civil Service Commission, and, therefore, the Civil Service Commission are responsible. I believe they are acting as they think right, and I believe they could make out a strong case if they had to argue the matter before the hon. gentleman or any one else. Comment has been made that consideration has not been given to the fact that only top men are of use in this work. The commission feel that consideration has been given to that point. I do not think I can say anything further except that there has also been comment that their energies were not leading to sufficient results owing to the lack of strong enough control and organization in the department, just of late years. We expect, however, that that will be remedied before any great length of time, and it is being remedied.

Mr. PEDLOW: Where these specialists have decided upon a certain classification and salary, the Civil Service Commission are influenced by this decision, and they take that as their guide entirely in determining on a matter of this kind. It should be possible for the Dominion Government to retain the services of good men and to pay as good salaries as those paid by individuals or corporations or companies in the mining business. No doubt the department, in order to do good work along the lines laid down, must obtain and retain the best service possible, and in order to do that, they must pay the best salaries going for the time being. Unless that course is followed, I am afraid a success will not be made of this branch of the service.

Mr. MEIGHEN: I am afraid if the department did that and paid the best salaries that can be had just at the present time, the Civil Service list would reach such a total that the hon. gentleman would take a fit.

Mr. PEDLOW: If that be the judgment of the Minister of the Interior, Mines, Oil and Gas, he is badly mistaken, because I believe in obtaining the best service and paying the best possible price for that service. It is impossible for the Dominion Government or any corporation to obtain that class of superior service unless they rise equal to the occasion. They must in every instance pay the best price if they expect to retain the services of good men. The experience that the minister has referred to tonight of his department in regard to this matter shows clearly the need for the department to pursue a course of that kind. I do not mean to say that the department should be held up on occasion, but they certainly should strain the salary line to the limit even under the present salary conditions, in order to retain the services of men they have tried and proven, men they know to have the experience the department requires.

Mines branch—investigation of ore and other economic deposits, road and structural materials, wages; expenses of the fuel testing and the ore dressing plants; collection of mining and metallurgical statistics, etc., $132,100.

Mr. MORPHY: What development has been made in regard to the treatment of coal in the West by the Lignite Committee?

Mr. MEIGHEN: I set out in pretty full detail in the House about a week ago what the Lignite Committee did, but this is a time when that might well be repeated to this committee. The Lignite Committee consists of Mr. Ross, an engineer of Montreal, as chairman, Mr. Leslie Thompson, secretary; a representative of Saskatchewan, Mr. Shepherd; and a representative of Manitoba, Mr. Leaming. Their duty has been to seek to discover some method of briquetting lignite coal and of producing the briquettes at such a basis of cost as will make the product commercially feasible. They have succeeded to the extent of proving that the carbonization of this coal is possible, and they have also dis-

covered and established the binders that must be used, some three in number, which will all be used together. They further believe that they have finally established that the amount of binder required will be twice what is required for the briquetting of German coal, but even that extra cost is not considered a too serious impediment. The binder I think is all procurable in Canada. I mentioned to the House on a former occasion the three binders that they have discovered; I cannot recall them just at the moment. As to the carbonization, however, (which, being interpreted, means the oozing out of the volatile matter, the water and other incombustible matter from the coal) they have discovered a method of doing that successfully. The binder ties the particles together after carbonization. That constitutes the briquetting of coal.

They have now called for tenders for the construction of a plant in the neighbourhood of Estevan for carrying on this work as a commercial proposition. On the basis of this year's costs, instead of the costs in 1917 when the arrangement with the two provinces was made, it is going to require $600,000 instead of $400,000. We subscribed $200,000 of that $400,000, and the provinces $100,000 each. I have submitted to the two provinces the desirability of their subscribing $50,000 each of the balance, and have received an answer from Saskatchewan in the affirmative, but have no answer as yet from Manitoba. Conditional on their subscribing their share, I purpose to ask Parliament in the Supplementary Estimates for the share of the Dominion.

Mr. MORPHY: What salary is paid to Messrs. Ross, Thompson, Shepherd and Leaming?

Mr. BURRELL: No salary.

Mr. MORPHY: Is Professor Macallum on the board?

Mr. MEIGHEN: He is in another post altogether, under the Department of Trade and Commerce. He is not connected with the Lignite Board.

Mr. MORPHY: How much does he draw?

Mr. MEIGHEN: I believe it is $10,000, but I should not like to have to answer for any more departments than I have.

Mr. MORPHY: Do you know what he does?

Mr. MEIGHEN: I have had considerable to do with him, and what I had to do with him was always very satisfactory.

[Mr. Meighen.]

Mr. MORPHY: What is his position?

Mr. MEIGHEN: He is at the head of the Bureau of Scientific Research.

Mr. MORPHY: Is that a a branch of this business?

Mr. MEIGHEN: No.

Mr. MORPHY: Who started this business?

Mr. MEIGHEN: Speaking from memory only, I believe it was on the suggestion or recommendation of that bureau.

Mr. MORPHY: Is the country paying Professor Macallum $10,000 a year for suggestions? What does he do to earn his money?

Mr. MEIGHEN: I cannot answer for Professor Macallum because he is not in this department, but I should say that if he makes good enough suggestions he would be cheap at the money.

Mr. MARCIL: What is being done at the peat field at Alfred in the province of Ontario?

Mr. MEIGHEN: I should refer to that in this very connection. I do not know that I can do better than read to the committee a report which I have just received, and which I have not yet had time to run over, from Mr. Haanel, who is in charge of the Peat Fuel Committee. This committee was appointed by the Federal Government and the province of Ontario on a 50-50 basis to investigate the commercial possibilities of the harvesting and sale of peat in the province. I can say, briefly: The committee has made very substantial progress. They had first to get the right to the peat bog where they proposed to conduct the experiments and do the work. The peat bog that they desired had been alienated and they secured the lease of it and have been manufacturing peat there. Last year they manufactured several thousand tons. They have tested it, and it has proven a success. This year they expect to manufacture 14,000 tons. They have no difficulty in disposing of it at the price they have been asking, of $3.50 a ton, which in the opinion of Mr. Haanel represents a profit of about 50 cents a ton. Peat at $3.50 a ton is about equal to $7-a-ton coal.

Mr. ARMSTRONG (Lambton): Is the price $3.50 at the mine?

Mr. MEIGHEN: F.O.B. the mine at Alfred, in the county of Prescott. The object of the committee's investigation was to de-

termine whether peat fuel could be manufactured on a commercial basis in those portions of Canada where large peat deposits exist which are now dependent on foreign sources for their supply; also to determine the type of machine which can be employed to the best advantage in the manufacture of peat fuel under the conditions obtaining in Canada; to create a market for the peat fuel, and ascertain the methods which should be employed for its distribution from the bog to the consumers. A satisfactory solution of the problems presented in the manufacture of peat fuel will render available the large areas of peat bog in the province.

The peat fuel committee has developed two types of machines, both of which they are thoroughly confident are going to be a success for the manufacture of peat on a large scale. They also have in process of construction a small machine which, in their opinion, will be utilized in localities for the manufacture of peat, not for sale in any extended area, but merely locally. That was the chief object of their work. Owing to the advance in costs the report says that it may be found necessary to add slightly to the price at which they are selling the peat—which, as I stated has been $3.50 a ton—in order that there may be a fair margin of profit. They believe they will be able to establish in a very short time that the manufacture may be conducted successfully on a large scale, as they are working now only on a ten-hour basis, whereas the machinery, of course, can be worked twenty or twenty-four hours a day. They have equipped the plant for two shifts of ten hours each, and they believe they will establish before any great length of time that working on these two shifts peat may be produced on a large scale and sold on a $3.50 basis, or very slightly above, with a sufficient profit to guarantee the establishment of plants commercially. They will manufacture this year 14,000 tons, but they will not have it all produced and ready for sale within th fiscal year. That credit of $15,000, however, is the amount they believe they can safely rely on receiving from their sales.

Mr. RICHARDSON: What is the fuel value of peat as compared with coal?

Mr. MEIGHEN: Half as much as anthracite coal.

Mr. FIELDING: When was this 50-50 arrangement made with the province of Ontario?

Mr. BURRELL: As nearly as I can recollect about two years ago.

Mr. FIELDING: There is a much earlier history of these Alfred experiments. Some years ago quite a large appropriation was made for the carrying on of experiments there. I do not quite remember what the outcome was, but perhaps the minister does.

Mr. BURRELL: There was quite a series of investigations carried on at the Alfred peat bog, and although they were not completely successful a lot of manual work was done, and they got far enough practically to establish that the whole problem was one of cheap machinery. There was no machinery of the type that would put the material in such shape that it could be handled at a profit, owing to the higher cost of labour in this country over Russia and Sweden, for instance, where they carry on peat operations very successfully. Consequently, when this matter came up again and it was pressed upon us that it was very desirable to utilize these thousands and thousands of acres of raw material, we determined to go into it again. At that time the Ontario Government were exceedingly anxious to carry on the work in some of their peat bogs. They asked us for our experts to survey the bogs, and the matter led to a general discussion and an arrangement whereby we engaged in a sense to pool our resources, and as it was largely a question of proper machinery to handle the peat to devise sutiable machinery, and demonstrate whether the manufacture of peat could be made commercially successful or not. With that object in view, two types of machines were built and operated last year on the Alfred peat bog. I understand that although they commenced very late in the year there were 6,000 or 7,000 tons of peat made. Since leaving the Department of Mines, I am afraid I have not kept in very close touch with the subject, but I believe that they are now going on with the work again with every hope of bing able to demonstrate that they can successfully develop it from a cemmercial point of view.

Mr. ARMSTRONG (Lambton): Are there any other districts where development is going on?

Mr. MEIGHEN: No. There are other points being surveyed and bogs are being tested, but it is not proposed to establish plants yet.

Mr. MORPHY: Can the Minister of Customs (Mr. Burrell) tell us the process em-

ployed in extracting the moisture from the peat?

Mr. BURRELL: It is altogether a natural drying process. The hope that used to be entertained by people who spent a large amount of money in the peat business was that they could do it by compression. But my recollection is that there never was an instance in which it paid to use compression to extract the moisture, because the amount of fuel used for the purpose would not be justified by the results. Consequently, whatever success there may be in the business will be achieved by the handling of the peat in its raw state quickly and in large quantities and letting it dry naturally.

Mr. MORPHY: In the open air?

Mr. BURRELL: Yes.

Mr. KNOX: This item provides for road and structural material. Has this any reference to the building of roads into the mining country in northeastern Saskatchewan and northwestern Manitoba?

Mr. MEIGHEN: It has no reference to building roads anywhere in particular. This is a vote that is used for the purpose of examining and reporting, for the benefit of the provinces, municipalities or governments, wherever a government is interested in the building of roads, the road material available within reasonable distance of the proposed road, how it should be used, and so forth. I have a list of the various roads that have been built in this way in Saskatchewan, Manitoba and all the provinces in which this work has been required. The material required is examined scientifically with a view to its utilization in road construction.

Mr. KNOX: What material has been found useful for road building in the western province?

Mr. MEIGHEN: I am afraid I could not now give my hon. friend such an answer as would be of very substantial use to him, but I would refer him to a report which covers in detail his own province and others, published by Mr. Clark, who is head of the road making branch, and which can be procured at the Mines Department at any time. It will give full detailed information of the examinations made.

Mr. ARMSTRONG (Lambton): What means has been provided for the disposal of peat that is manufactured at Alfred?

[Mr. Morphy.]

Mr. MEIGHEN: So far we have not required to devise any means because the demand exceeds the supply.

Mr. ARMSTRONG: Where would a purchaser apply?

Mr. MEIGHEN: The purchaser applies to the plant. Fourteen thousand tons is anticipated for the coming year. In this connection it is felt that one marked feature of the success of the work has been the fact that the engineer, Mr. Moore, has devised an altogether new type of machine. I said that there were two types in use successfully, one, the Swedish type similar to that which was used previously, and the other, the type devised by Mr. Moore. The type devised by Mr. Moore is considered a marked improvement, and some improvements are being made on it this year. These two on a double shift of ten hours produce 240 tons each a day. There is also a small machine after Mr. Moore's type which produces from 15 to 24 tons a day and is used by farmers who happen to be near peat bogs.

Mr. MORPHY: Is the peat spread on the ground to dry?

Mr. MEIGHEN: Yes.

Mr. MORPHY: Is it spread by spade?

Mr. MEIGHEN: It is spread by machine on the ground.

Mr. CRERAR: A portion of this vote is for investigation of ore and other economic deposits. That is an entirely proper work for the department to carry on, but it would be interesting to know what the policy of the Government is regarding the disposal of valuable deposits of ore or mineral that may be discovered through the explorations of the officials of the department. The fact is that to a very large degree the valuable patrimony of the Canadian people has been alienated to private hands, and I should like to know if there is any settled policy on the part of the Government to conserve to the people of Canada as far as possible the values that accrue from these discoveries.

Mr. MEIGHEN: First of all, let me make it clear that the Mines Department does no prospecting. The Mines Department has no special relation to the mines of minerals owned by the Dominion in the three prairie provinces; it has precisely the same relation to those mines as it has to the mines in Ontario, Quebec or New Bruns-

wick, and it does its work without discrimination throughout the whole Dominion. If there were to be any change of policy in the connection discussed by the hon. member it would require to be by the Mines Branch of the Interior Department, which administers the mines owned by the Dominion on Dominion lands. The question is really one that should come up on discussion of the Department of the Interior Estimates, but I may add just a word to what I have already said. We have moved in the direction of reserving the mineral royalty right more generally than has been done in the past. I might refer particularly to oils. In 1910 authorization was given for the issue of oil leases with absolute exemption from royalty until 1930. The right was withdrawn on my recommendation some months ago, and no leases have been issued since with any exemption. All leases have been issued in such a form that we can at any time impose whatever royalty we feel is just in the interests of the whole people; and that, in my humble judgment, is the best way for the Dominion itself to reserve its interest in the common deposits of wealth in the country. Furthermore, since that time all leases that were in arrears have been as rapidly cancelled as we felt was justifiable having regard to all the circumstances, so that these areas would come within the non-exempt areas and be subject to royalty in connection with future locations. Speaking on the basis of information I have at the moment, I do not think there is any exemption from royalty now; there was exemption in regard to oil but it has been taken away. So that the Dominion is in a position, over its minerals anyway and so far as I know over all natural deposits, to exact whatever royalty the representatives of the people think to be fair and right.

Mr. MORPHY: Is there any standardization of royalty, or does it vary according to output?

Mr. MEIGHEN: The royalty on coal?

Mr. MORPHY: I am talking about oil.

Mr. MEIGHEN: There has been no royalty fixed on oil but all the leases are issued in such a form that we can impose a royalty if we so desire. We have never fixed a royalty, for the very obvious reason that there has not been any oil discovered.

Mr. MORPHY: Not in the Mackenzie basin?

Mr. MEIGHEN: No, there has been no oil discovered in commercial quantities in Western Canada. On the other hand, by long standing custom, the Dominion pays a bounty on oil production at the present time. I doubt if, without that, there would be very much oil production in Ontario. That does not affect the West because the oil produced there does not come within the standard, but there would be very little production in Ontario if it were not for the bounty. If oil is discovered in commercial quantities in Western Canada the question of imposing a royalty would be up for immediate consideration and I would say that there would be a very good argument for imposing it.

Mr. FIELDING: Do the leases contain a provision reserving the right to impose royalty?

Mr. MEIGHEN: I am not certain that they contain it, but I know a lot of the old leases contain a clause that they are not subject to royalty.

Mr. FIELDING: Why should there not be a distinct stipulation within the terms of the lease with regard to royalty? I think it very desirable that the man who takes a lease shall have it before him that at the proper moment the department may impose a royalty. I think the statement of policy by the hon. gentleman in that regard is quite correct.

Mr. CRERAR: I think the policy announced by the minister is a sound one. The necessary steps should be taken by the department and the Government to prevent the holding of valuable mineral deposits of this kind out of use for purely speculative purposes. It is a fact that in Western Canada at any rate, where we have very valuable coal deposits, large areas have been alienated to private individuals having in view the speculative values that may arise out of the holding of them until a demand develops for the commodity. That policy is not a sound one and it only works hardship in the long run to our own people.

Mr. MEIGHEN: I thoroughly agree with hon. members, but that question was fully covered by the Act of 1914 prohibiting the issue of any grant of natural resources other, of course, than surface lands, and as a consequence all mining grants are made by way of lease and are subject to a development clause. The parties must de-

velop the property or they cannot hold the lease.

Mr. CRERAR: That does not apply to leases issued prior to 1914?

Mr. MEIGHEN: No. Those issued prior to 1914 are not under our jurisdiction. These are civil properties owned by individuals or companies, and we could not impose any requirement on them. If it is to be imposed at all it would be imposed by the different provinces. They would have jurisdiction to do that if they saw fit but we cannot do so. Wherever we have juridiction we do put in that clause. We do not allow any one to hold a mine for speculative purposes; he must develop it.

Mr. CRERAR: The minister might suggest to the Minister of Finance that there is a possible way of getting revenue by imposing a tax on the valuation of these mines that are held out of use. I know of no method that would more rapidly bring them into use.

Mr. MEIGHEN: That may be so, but I think there would be no method that would more rapidly bring us into contact with every local government in Canada.

Mr. RICHARDSON: Has the minister any information as to the proportion of land that was alienated to the pirates prior to 1914 and how much remains in the possession of the Crown at the present time?

Mr. MEIGHEN: I know very little about pirates; I cannot tell what amount they got. With respect to coal I think that vats areas are still held by the Crown. I speak with some hesitation. A great deal, of course, has been alienated, but a great deal of development has taken place as a result of that alienation. It is not alienated out of Canada. It is still here and will be developed if it pays to develop it. As respects oil, the great bulk of the areas is held by the Dominion. The Dominion lands have been pretty well scoured for oil and we have now under consideration the question of opening our forest reserves under restrictions to oil prospecting. I cannot say whether it is likely to be done or not but a very strong argument can be made in favour of doing it.

Mr. FIELDING: Might I suggest that if these leases do not contain a provision with regard to the imposition of royalty it might be worth while to consider whether it should not be put in. The conditions of the lease should be well known and they should be set out in the lease itself. These leases are taken to capitalists and investors; they become the basis on which transactions take place; they pass into the hands of strangers who do not understand our laws, and it is desirable that every lease should contain a clear statement to the effect that it is subject to a royalty.



Mr. MEIGHEN: When the hon. gentleman spoke about that I made a note of his point and I fully agree that there should be such a reservation.

Mr. NESBITT: Does the minister know of any real prospects of oil, or has he ever known any "pirates" that have made fortunes out of the coal business in Western Canada?

Mr. MEIGHEN: As regards coal, I do not think there has been any substantial money made in Western Canada. Indeed, there has been more lost than made. As regards prospecting for oil, the country has received in oil rents and permits more money, I fancy, than any person ever got for oil, to say nothing of the cost of developing it. It is an entire fallacy—all this imagining and prating through the country about alienating our resources to wealthy men such as oil land and coal in Western Canada. The country has got more out of the oil possibilities of Western Canada than anybody else. The country is at the winning end of the ticket every time. I do not know whether the prospects can be said to be good or bad, but certainly I do know that responsible people and very strong companies are at the expenditure of a great deal of money prospecting the West, following the geological lines indicated by the geological branch, and I think they will yet discover oil in commercial quantities. I believe they are fully confident that they will before long discover a very profitable source of oil production.

Mr. NESBITT: I know they have certainly not discovered any oil in commercial quantities and they are spending money by the millions trying to discover it. I would like to ask the minister one more question: That is, how much money the people of the country ever got out of mines of any kind—gold, silver, platinum, coal, oil, or any kind—as long as those minerals lay in the rock where nature had placed them?

Mr. MEIGHEN: That question answers itself; nobody gets anything out of any mineral as long as it stays in the ground.

Mr. NESBITT: I am tired of hearing so much harping about the natural resources

of the country and not allowing "speculators" to have anything to do with these minerals—that they should be kept there for the people—when so far as I know they have been closely buried, and I never heard of any prehistoric man making any money out of them. I do not know why the people of the present day should be supposed to put their money into these mines and develop them without having the opportunity of making something out of it. All that sort of talk is so silly I cannot help protesting against it.

Mr. MACLEAN (York): I must protest against the statements of the hon. gentleman (Mr. Nesbitt) because the greatest alienation that ever took place on this continent was the alienation of the anthracite coal fields of Pennsylvania, and all America to-day is suffering from it. A combination of coal mine owners and railroads got those coal fields absolutely in their hands, and they have monopolized them and made enormous fortunes. We need to use that coal to-day and have to pay an enormous price for it, whereas if the State had exercised the same discretion and foresight that has been exercised in some cases in Canada the people would have had the benefit of it. Both the provinces of Quebec and Ontario are enjoying large incomes now because they designed a lease with respect to pulp and timber lands whereby they get a continuous revenue out of those lands, and the condition governing the working of Crown grants of timber is such that they can be renewed every year somewhat on the line that the ex-Minister of Finance referred to.

Mr. BUREAU: How much revenue does Ontario get from its water-power?

Mr. MACLEAN: It gets a cheap power for all the people of the province, including the farmers. My hon. friend does not want to see them get it; he wishes to put a monopolist operation in between. Now it is possible that these great resources have to be leased—and I have no objection to that being done—and to have such conditions imposed in the lease that the lease could be revised every year and the royalty or the dues increased, and the control of the price at which the product is sold provided for. I am glad this discussion has taken place to-night; it is in the right direction.

Mr. NESBITT: I would ask the hon. member before he ceases—

Mr. MACLEAN (York): I have a right to cease.

Mr. NESBITT:—supposing the coal had lain in the ground in Pennsylvania all this time and that no private individuals had put their money in the mines and developed them, what good would they have been to the people of Pennsylvania or Canada?

Mr. MACLEAN (York): The condition might have been much better than it is to-day. The doctrine we hear in some quarters is that the people cannot do anything for themselves, that they cannot develop water-power or develop anything. We have developed water power in Ontario that is to the benefit of the people. That water-power has not been alienated but a big revenue is derived from it, and the province has a great industial development under way based on it. So that this policy is not indiscreet, and the capitalists are not the only ones who can effect improvements for the public. Sometimes a State can do it and do it advantageously. I do not agree with the doctrine that has been stated here to-night that the only ones that can save the nation are the capitalists. Perhaps the people sometimes can save themselves if they have the chance.

Mr. PELLETIER: The minister seems to have no confidence in the possibility of the production of oil.

Mr. MEIGHEN: I stated the very opposite.

Mr. PELLETIER: You have confidence, but there is no production of oil.

Mr. MEIGHEN: We have oil in commercial quantities in Western Canada.

Mr. PELLETIER: The reason I asked the minister if he thought we had oil is this: A short time ago a charter was granted to a certain company to build a railway in the Northwest. When the application for the charter came before the Railway Committee the lawyer representing the company said he thought there would be some oil found in the district to be traversed by the line but he was not sure.

Mr. ARMSTRONG (Lambton): They are drilling in that district now.

Mr. BUREAU: They are in Calgary too.

Mr. PELLETIER: But the promoters of this company are not sure of finding oil. I was trying to ascertain from the minister why a charter should be granted to a com-

pany that did not know whether they would be successful or not in their enterprise when other charters had been refused prior to that, although we claim that we have great resources in timber, and agricultural lands, and so forth.

Mr. MEIGHEN: I am sorry I cannot answer both for the Government and for the House. As to the Bill the hon. member refers to I never heard of it myself, but I presume it is a private Bill granting a franchise to build a railway. I would expect that those who are getting the franchise anticipate developing oil in the neighbourhood of the proposed railway?

Mr. PELLETIER: Yes.

Mr. MEIGHEN: Well, I spoke in these terms: I said I believed that those prospecting for oil in the Northwest were confident that they would be successful in getting it in commercial quantities. If they are right it is quite probable that there is reasonable ground for those people seeking to build a road. I do not see any objection to it myself, but it is not a matter that the Mines Department has any responsibility for at all. If there is any responsibility on any department other than the House—because it is a private Bill—it would be on the Railway Department. I would have thought that people would not be putting any money into the building of a road unless they were pretty confident there would be traffic for the road and very probably oil in that district.

Mr. PELLETIER: Is there any one in the Dominion of Canada interested in this proposed railway?

Mr. MEIGHEN: I do not know the first thing about it; I never heard about it till to-night.

Mr. ARMSTRONG (Lambton): Perhaps I might explain. The hon. member refers to a private charter that was granted to a company for the purpose of building railways connecting Chesterfield Inlet off Hudson bay, with Great Slave lake, a distance of perhaps a thousand miles by lake, river and inlet.

Mr. MARCIL (Bonaventure): Will the road ever be built?

Mr. ARMSTRONG: There are only a very few miles of it that are necessary. There are 250 miles of navigation on Chesterfield inlet off Hudson bay. Then ten miles of rapids are encountered, and it will be necessary to connect by means of a branch railway with the Thelon river. The Thelon river itself runs in the direction of Great Slake lake and when nearing Great Slave lake there is another branch of the river which gives connection with that lake. Then there will be a waterway for several hundred miles farther. That would carry the line to a point about a thousand miles west of Hudson bay and over a thousand miles north of the city of Edmonton. Since that charter has been granted I had the opportunity of speaking to the vice-president of the Imperial Oil Company who told me that they are now drilling north of Great Slave lake, over a thousand miles north of Edmonton and that it took them over one year to get the drilling outfit into the place where it is now located. He seemed very much pleased with the prospects of oil in that country.



Mr. PELLETIER: At the same time it is nothing but a prospect.

Mr. ARMSTRONG (Lambton): Several oil wells are being drilled in that country. Of course, they are all prospects.

Mr. SUTHERLAND: I sometimes wonder if we are not too prone to overlook the tremendous wealth and energy expended by prospectors. After devoting their lives to prospecting and spending all their wealth many of these men have died poor. It is very easy to say that every possible safeguard should be enacted in order to insure to the country every possible benefit from its natural resources. During the discussion some reference has been made to timber. But timber is a visible thing, it is not to be compared with our undiscovered mineral resources; and if you are not going to encourage prospectors it is the duty of the Government to themselves undertake the work, otherwise we cannot expect to develop those resources. The minister has stated the safeguards provided in the shape of royalties on any discoveries being made. But if the prospects are as good as we hope they are, then I think every reasonable encouragement should be given to prospectors with a view to making these discoveries of the fullest benefit to the country as soon as possible. As has been stated, these resources are absolutely of no use to the country until discovered and developed. It is admitted that we have not yet discovered oil in districts where we suppose it is to be had in abundance. That being the case, enormous sums of money and unlimited energy must be expended in development

in order to prove whether the oil is there. We are likely to defeat the very object we have in view if we make the restrictions too severe and so deprive of the fruits of their labour, those who by their skill, energy and money have made development possible.

Mr. CRERAR: I am very glad to learn from the minister that we have had some revenue from oil leases, and I certainly hope that our policy will be so shaped in future that we will continue to get proper development and at the same time not sacrifice our natural resources. I cannot for one moment agree with my hon. friend from North Oxford (Mr. Nesbitt) who appears to have been rather asleep on this whole proposition. His policy, apparently, would be to hand over all these valuable natural resources to capital to be exploited without any regard for the rights of the people. I submit that the people have certain rights in these natural resources, because they are essentially for the benefit of the people. I would direct my hon. friend's attention to the development of the oil resources of the United States, where practically all the valuable oil areas have passed into the hands of one concern. With what result? To-day we are paying fifty and sixty cents a gallon for gasolene, and oil companies are paying dividends of eight hundred or nine hundred per cent. My hon. friend may consider that a desirable state of affairs for this country, but I beg to respectfully disagree with him.

The revenue the Dominion has received for the last forty years from our mines and forests will not pay for the total expense of administration and surveys. Is that a satisfactory state of affairs? We have mineral deposits that to-day could have been producing a splendid revenue if they had been administered wisely in the past. I dissent from the view that we should pass this valuable heritage over to capital to be exploited for the benefit of private interests alone. If that is the opinon of my hon. friend from North Oxford, he and I are travelling in totally different directions.

Mr. NESBITT: I did not say that I would give the natural resources of the country to capital for development, not by any means. I said that I would not discourage capitalists from developing our natural resources for the ultimate benefit of the people by taxing those capitalists to death before they made anything out of their development. My hon. friend says that in the United States the oil areas are in the hands of one company. I can name him a dozen very strong companies that are in competition with one another in the United States.

Mr. CRERAR: The independent companies live on the sufferance of the Standard Oil Company.

Mr. NESBITT: My hon. friend should not talk about things he is ignorant of. I can tell him the reason why gasoline and coal oil are so dear. There is a shortage of production all over the world, and there is a vast increase of consumption. Under those conditions oil, like every other product, will go up in price. It is quite true that those who have been successful in the oil industry of the United States have made money. So also have those who have been successful in the mining industry in this country; but more money has been sunk in the industry in this country than was ever made out of it; and more money has been sunk in oil propositions in the United States, I venture to say, than was ever made out of them. You have got to give capital some encouragement. Capital is a shy bird and it is not going into propositions to lose money on, especially if some one is coming along as soon as a small success is made and say, "Oh, this belongs to the people; it is a natural resource; we don't care anything about you, we will confiscate your discovery." That is what I am opposed to.

Mr. CRERAR: So am I.

Mr. NESBITT: Well, you say you want to leave all these natural resources for the people. I ask: What good are they lying dormant? You must get some one to develop them. The same thing with the western prairies—if men did not come along and grow wheat what would that country be worth? Why don't you say to those men, "We will let you retain fifty cents a bushel for the wheat, and we will take the rest for the people?"

Mr. DEVLIN: Mr. Chairman, ever since I have had the honour of a seat in this House I have been strong for the development of our natural resources. While realizing the merit of the argument advanced by my hon. friend from North Oxford, I find myself more in line with the argument of the hon. member for Marquette (Mr. Crerar). We have no assurance, but every indication points to our having great mineral resources. I believe the Govern-

ment should take all necessary steps to develop our mineral as well as our other natural resources in order that we may see how far we can be a self-contained country. Representing as I do the county of Wright, with its wonderful deposits of mica and iron, I have always felt that besides those deposits there are other minerals—the geological formation indicates it. I would certainly approve of the minister devoting some of this money towards prospecting and developing whatever mineral resources there may be in the county of Wright. I thoroughly appreciate that the member for North Oxford is right when he says that capital will not go into a losing proposition. If there is something that is a sure thing, then you will find capital without doubt. As regards the matter of obtaining money from English capitalists for any mining proposition in this country, the first thing that the men in England will do is to send over their engineers and prospectors to go over the territory, study it for themselves and make a report. They do not take the reports of our own engineers. I am speaking now of what little experience I have had in this matter. I do not say that there are not exceptions to the rule; but as a general rule, that is the way they proceed. If their engineers report that the proposition is a sure one, they will invest in it. Before the war we were able to get a certain amount of capital easily into the country for purposes of investment in different natural resources, but we cannot get it to-day. We must recognize that capital is tied up more to-day than it ever was before, and there is not the same amount of capital available for investment in propositions such as those under consideration to-day. Whilst respecting, as I do and have for a very long time, the hon. member for Oxford North, who looks at questions in a businesslike way, I feel that the hon. member for Marquette (Mr. Crerar) has advocated the wiser course, that here is something in the way of a natural resource belonging to the people of this country, a resource in its infancy, one requiring absolute development, and therefore, I must approve the position taken by the Minister of the Interior.

Mines branch—publications, English and French editions of reports; purchase of books of reference, laboratory supplies, instruments, miscellaneous assistance, office contingencies, $40,000.

Mr. McKENZIE: I presume some practical mining experiments are being carried on in the coal fields in the West where the coal is owned by the Government. In the province from which I come we are far past the prospect stage as regards coal and iron, and the principal business on which we require assistance is practical mining. One of the great difficulties in practical mining is dealing with gas, and I am sorry to say that once in a while we have terrific explosions caused by gas which is generated by the coal, and also what are known to miners as explosions caused by dust accumulating in the mine. Are any experiments being conducted in the department that would help in preventing accidents of that character, that is, as regards the discovery of gas and the best way of dealing with gas when it is discovered in a mine, and preventing explosions? Is any education afforded in connection with the subject of ventilation which is a very practical question in connection with coal mining? Coal mining, as a mine gets older and miners have to go deeper, is getting more difficult all the time, and they must be assured of a proper supply of fresh air, so that ventilation is of great importance. We can readily understand that the department employs well-trained men, but these well-educated men of whom we have heard should certainly give the country the benefit of their education and experience fro what they have learned from experiments on questions of this kind. It is to be hoped that some co-operation, team work, so to speak, will be carried on between headquarters in Ottawa and the different mining departments in the various provinces in regard to mining matters. In the provinces we have not very much money to spend on higher education in connection with mining, and as we are but one country, the people in all the provinces are entitled to the benefit of the education that we may get as a country. Therefore, it would be highly desirable that the best and most productive system of co-operation should exist between the various provinces in which mining is carried on and headquarters at Ottawa. For these reasons I should like to know what is being done in the way of practical experiments along the lines that I have mentioned

Mr. MEIGHEN: All I can say at the moment is this. Examinations are made of mining airs, that is to say, quantities of air taken from the mines are sent to the department and examined, their contents reported, and such information given regarding them and the effect of the various gases as the experts of the department may

be able to provide. That is one work that is done—the examination of the various airs or gases that are contained in mines. Another work, which is done under the explosives division, is the examination and reporting upon explosives used in mines and the regulation of such explosives as, having regard to the gases present, are safe. Other experiments, which are going on all the time, have to do with the examination of ores, the flotation of ores, and generally the extraction of the mineral from the ore. Just at the present time and for some time before the department was taken over by myself, extensive experiments are being conducted in the ore dressing division on methods of flotation with a view to determining the commercial feasibility of new methods of floating ores. If those methods prove feasible, then, indeed, for this country that is rich in minerals and that has a wonderful variety of mineral ores of all kinds of complexity, great advance has been made.

Progress reported.

## INLAND REVENUE ACT AMENDMENT.

On motion of Hon. Martin Burrell (Minister of Customs and Inland Revenue) Bill No. 178 was read the second time and the House went into committee thereon, Mr. Steele in the Chair:

On section 1,—chemical still:

Mr. MACKENZIE KING: What does this change amount to?

Mr. BURRELL: There has always been great uncertainty in the past in estimating the capacity of the still, whether it was determined on the actual cubic contents or the distilling capacity. This is to remove all doubt and ascertain the capacity by actual water measurement.

Section agreed to.

On section 2—standard leaf tobacco:

Mr. MACKENZIE KING: What is the effect of this change?

Mr. BURRELL: We are adopting the English and the American practice. Under the old Act, tobacco was interpreted as being 10 per cent or more of moisture. When the tobacco came in—I am speaking of the raw leaf—it was subjected to an ordinary hand test, and if it was thought to contain more than 10 per cent moisture it was put through a proper test in the dryer. If it was proved by that test to contain 12 or 14 or 16 per cent moisture an allowance was made for the excess about 10 per cent. If it was drier than 10 per cent, say 8 per cent, he was charged 92 pounds instead of 90. This testing takes an enormous amount of time. Our officers have charge of a good many factories, and find that practically all their time has been taken up in making these tests. Each test takes about 45 minutes. There has also been great confusion in the tests because in the drying some officers will char the tobacco, and then it does not become an accurate test. It is owing to the great amount of time that is involved in making these tests and the confusion there has been that we have thought it well to adopt the American practice, which is to estimate the tobacco as being 10 per cent of moisture. What will happen is that if an importer has more than 10 per cent of moisture he will be penalized to the extent of the excess moisture. It is counted as tobacco. The trade will adjust itself. What will happen is that the man will simply dry his tobacco up to about 10 per cent moisture.

Section agreed to.

On section 4—abatements in computation of duty on spirits for shrinkage by evaporation while maturing:

Mr. ROBB: What is the reason for making this retroactive?

Mr. BURRELL: It is not retroactive. It is 1920. It was urged upon us very strongly that we should make it retroactive for two years as regards liquors now in storage. It did not seem to me desirable that we should do that, so we are bringing the section into force on April of this year. Under the old system we have made no distinction between shrinkage by evaporation of alcohol stored in metal and alcohol stored in wood. This change has come about as a result of a long series of tests and experiments covering a period of years, as a result of which we have ascertained pretty accurately the exact amount of evaporation that takes place. Under this amendment we shall come fairly near the mark of actual evaporation. It has been shown as a result of our experiments that there was a far greater evaporation, so far as alcohol stored in wood is concerned, than was allowed for, and we were really penalizing the man unduly. The request to make this retroactive for two years, it seemed to me, could not well be entertained. I have therefore changed the date proposed in the Bill of last year and am making this section operative only from the first of April this year.

Mr. CURRIE: I understand that the Government suffered a good deal through the action of some distillers a few years ago. They passed the liquor into their tanks at freezing temperature or just about freezing temperature, which reduced the volume of the liquor considerably, and the moment it came out and reached atmospheric temperature the liquor increased in volume five or six per cent, to their benefit. I believe that the practice is different now and that the manufacturer is compelled to pass the liquor into the vats at normal atmospheric temperature of 65 or 66 degrees. This is an important matter and considerable money can be saved to the Government by a proper regulation of it.

Mr. BURRELL: That was true some years ago, but there was a change in the regulations which fixed the temperature at 40 degrees Fahrenheit.

Mr. CURRIE: This Bill does not do away with that?

Mr. BURRELL: No.

Mr. CURRIE: There is another thing. Former ministers have stated time and again that there was no necessity for compelling manufacturers to store their liquor for two years, and—

Mr. BURRELL: We shall come to that question in another section.

Section agreed to.

On section 5—spirits warehoused for two years before entry for consumption.

Mr. BURRELL: This is the point raised by my hon. friend (Mr. Currie). Under the old Act as it stood no liquor could be taken out of the distilleries for two years after its manufacture. I am not thoroughly familiar with the reasons that impelled the department to enact that provision. I think possibly it was done on the suggestion that it would make a superior brand of whiskey. But since the wave of prohibition over Canada very much less alcohol has been made, and while there has been a strong demand by pharmaceutical chemists for alcohol for manufacturing purposes, for hospitals, etc., there has been no new alcohol available, and the price of the two-year-old spirits has of course mounted up at a furious rate. It seemed to me, after going into the whole subject, that rather than abolish the clause altogether, which might result in any number of small distilleries starting up which it would be difficult to control, it would be better, during this shortage, to allow the Governor in Council to fix a time for the suspension of the clause in order that new alcohol might be at the disposal of these people. That alcohol can be made quickly and it would be an inducement to manufacturers to make alcohol for this particular purpose, to meet the market, if they could go into the business without the necessity of keeping the liquor for two years.



Mr. CURRIE: I very much approve of this clause. The manufacturers of alcohol in Great Britain and the United States were allowed to bring their raw alcohol here and compound it and send it out to the Canadian people when it was perhaps not a month old. The reason why the two-year provision was made previously was largely owing to the supposition that if the liquor was stored in vats or barrels the fusel-oil, which is a bad element of alcohol, would evaporate. There is a method of removing this fusel-oil which the Government ought to compel every distiller to adopt, and that is to pass alcohol intended for human consumption through a charcoal filter. Every chemist knows that alcohol can be made in a laboratory in a few hours, and it can be rectified in the laboratory by being passed through a charcoal filter. If the distillers submitted alcohol to that process there is no reason why it should not go into consumption inside of twenty-four hours after being made. Now, to leave it to the Government to determine whether the law should be suspended or not is merely to continue a method which gives a monopoly to three or four distillers and wipes out all the small distillers throughout the country, because no one would put money into a business if it took two years before he could sell his manufacture. Apart from that the clause is all right, and I hope that next session the Government will see the wisdom of abandoning the two-year provision. Minister after minister has said that he did not see any reason for it as it was not necessary, but it has never been abolished. If the Act were amended so as to provide that alcohol should all be passed through a charcoal filter the public would be perfectly safeguarded; but to let alcohol go to the public from a distillery soon after its manufacture without being put through this process is merely to cause blindness to people, as is evidenced by those who drink foreign liquors. I think the Government should see to the purity of liquor that is sold in the country.

Mr. ROBB: Going back to the statement made by the minister a moment ago, are

the committee and the country to understand that it is now the policy of the Government to make alcohol more plentiful and consequently cheaper in Canada?

Mr. BURRELL: The intention is to make alcohol available for absolutely essential purposes for which it cannot now be obtained. Alcohol will not be cheaper. As a matter of fact, it will be a good deal dearer, because there will be the excise duty. There is a certain amount of alcohol that is got out free of excise, or at low rates, for manufacturing purposes, but for those purposes it cannot be secured until it is two years old.

Mr. MARCIL (Bonaventure): Can you give the figures as to the quantity of alcohol manufactured to-day as compared with four or five years ago?

Mr. BURRELL: There are ten licensed distilleries and the quantity manufactured during the last fiscal year was 2,356,000 gallons. The quantity on hand in all distilleries on April 1 of the present year was 6,593,000 gallons.

Mr. MARCIL: How does that compare with five years ago?

Mr. BURRELL: It shows a large decrease.

Mr. ROBB: Where are these licensed distilleries?

Mr. BURRELL: There are: At Belleville, two; Guelph, one; Prescott, one; Toronto, one; Windsor, one; Joliette, one; Montreal, one; St. Hyacinthe, one; and Vancouver, one.

Section agreed to.

On section 6—penalty for illicit distillation increased from $100 to $200.

Mr. BURRELL: This is simply increasing the penalty from $100 to $200 for liquor illicitly manufactured because when the fine was only $100 it was quite obvious that a man would run his chance of turning out a barrel of this stuff which would be worth more than $100. We are therefore increasing the fine to $200.

Mr. MARCIL (Bonaventure): Has there been an increase in the illicit manufacture of liquor this year as compared with last?

Mr. BURRELL: The illicit stills which we have actually discovered and in regard to which there have been prosecutions were as follows:

| Year. | Prosecutions. |
|---|---|
| 1917-18.. .. .. .. .. .. .. | 13 |
| 1918-19.. .. .. .. .. .. .. | 191 |
| 1920 (To March 31).. .. .. | 985 |

Mr. MARCIL (Bonaventure): They were scattered all over the Dominion?

Mr. BURRELL: All over the country.

Mr. McKENZIE: How many of these stills were discovered in the Maritime Provinces the last two years and where?

Mr. BURRELL: St. John division, 8 last year; Halifax, 4 last year, 5 this year; Pictou, 2 last year, 15 this year.

Mr. McKENZIE: What about Cape Breton?

Mr. BURRELL: That would be in the Pictou division. In that division there were 15 illicit stills. We made 9 seizures in that division quite recently.

Mr. McKENZIE: I would like to see these illicit stills cleaned out, because they are making and selling a product which is deadly to the life of the people. What steps are being taken to prevent the manufacture and sale of that kind of liquor?

Mr. BURRELL: In that division we have three men working now, and one special man.

Mr. MARCIL (Bonaventure): Would the minister give the figures for Ontario and Quebec?

Mr. BURRELL: For Ontario and Quebec the figures are:

| | 1917-18 | 1918-19 | 1919-20 |
|---|---|---|---|
| Ontario .. .. | | 50 | 296 |
| Quebec .. .. | 11 | 37 | 47 |

Mr. McKENZIE: A short time ago it was not permitted to distil liquor in this country or under any conditions to manufacture any liquor. Some officers at that time, whose business it was to look after illicit stills, were dismissed or let go; it was thought that there was no further use for them. Now the minister has found that this illicit work has sprung up and is in existence to a greater extent than it was in the older days when it was carefully looked after. The reason given by the department for the dismissal of these men was that there was no revenue from that source and consequently they could not keep the men because they got no money in any case. As liquors were not allowed to come into the country the revenue was not supposed to be suffering. In my own county a very capable officer, whose business it

was to look after illicit stills, was dismissed. He is still a comparatively young and active man. He was under Mr. Fraser, the chief officer for Pictou, Guysborough and Cape Breton. This gentleman, Mr. McKinnon, was for many years the officer looking after illicit stills but he was dismissed. It is not a nice thing to take a man in the service with his habits of life formed and throw him out and back on his own resources. If the minister requires more officers than he had before in that district I would respectfully suggest to him that he consider the case of this old official against whom there was not one black mark. If he requires the services of any officer in that district he would do well to take an experienced and well qualified officer such as Mr. McKinnin was.

Mr. BURRELL: If the stills increase in my hon. friend's district we may look into it.

Section agreed to.

On section 7—penalties increased for sale of spirits unlawfully manufactured:

Mr. BURRELL: Under the old section, 185, provision was made for a fine of $50 and not less than $10 for the man who was found with illicit spirit in his possession and who sold them. It was manifestly absurd to fine the man who actually got hold of liquor after it had been distilled and sold it less than the man who had made it. Consequently we have increased that penalty to $500 and not less than $200.

Section agreed to.

On section 8—amount of bond from brewers increased from $1,000 to $2,000:

Mr. BURRELL: Under the old provision there was a fine of $1,000 and it was found in some cases where irregularities had been committed by brewers that the amount involved was more than the fine. In one or two cases that was the particular complaint; so we have increased the fine to $2,000 to be sure of covering the loss entailed by the particular act of the brewer.

Mr. MARCIL (Bonaventure): What is the strength of beer allowed to be brewed in Canada now, and what is the nature of the supervision exercised by the department?

Mr. BURRELL: As far as temperance beer goes—

Mr. MARCIL (Bonaventure): That is the only beer that is allowed.

Mr. BURRELL: The temperance beverage is 2½ per cent proof, but there is no limit to the other beers. They may be manufactured until legislation goes into effect to stop manufacture or importation, but it has not arrived yet.

Mr. MARCIL (Bonaventure): Is the beer sold in Canada beer of any strength?

Mr. BURRELL: Where the provincial legislation allows it.

Mr. MARCIL: Does any province allow it?

Mr. BURRELL: Does not Quebec allow it?

Mr. MARCIL: The beer that is sold is limited to a certain strength.

Mr. BURRELL: Then I presume the brewers can only manufacture it according to that strength. Of course it can be manufactured for export.

Mr. MARCIL: Is the supervision under the Dominion Government or under the provincial authorities?

Mr. BURRELL: Under our officers.

Section agreed to.

On section 10—remission of duty on malt used to make vinegar.

Mr. DENIS: What is the object of this change?

Mr. BURRELL: The object of this particular amendment is to allow malt to be used in combination with other cereals as is the English practice.

Mr. ROBB: Malt is used very largely by the bakers throughout the country. Is the minister giving the same privilege to the bakers as to the manufactures of vinegar?

Mr. BURRELL: We would not have any control over the baker, because the maltster pays the excise duty and when the malt passes out of his hands into the hands of the baker we are done with it.

On section 13—packages and stamps on tobacco and cigars:

Mr. MARCIL (Bonaventure): There has been a very large increase in the tobacco output of Canada, especially cigars and cigarettes. Cigarettes seem to be coming into almost general use by school children and everybody else.

Mr. BURRELL: Speaking from recollection, the total duty of excise and cus-

toms on tobacco, cigars and cigarettes, is about $31,000,000. That is what was collected this year.

Mr. MARCIL: It is a very large increase.

Mr. BURRELL: If any hon. friend would like some idea of the consumption of cigarettes I might tell him there were about 2,400,000,000 consumed in the last fiscal year.

Mr. MARCIL: What increase would that be over five years ago?

Mr. BURRELL: A considerable increase.

Section agreed to.

On section 15—license to pack or cure Canadian leaf tobacco:

Mr. MARCIL (Bonaventure): What is there new here regarding Canadian leaf tobacco?

Mr. BURRELL: The only new feature about this is that we have provided control over the packer. As my hon. friend knows the cultivator is licensed with a two-dollar license fee if he is growing tobacco for sale. He is allowed to grow tobacco without a license if it is only for the people on his own farm, up to thirty pounds per person. But the packer—the man who buys from the cultivator—we have not had proper control over although we have taken power without, as I see it, proper authority under the Act. And as a matter of fact the packer can evade the tax because it is almost impossible to follow his operations. At present it is almost impossible to follow out where he sells; we have no control over him. There has been in the mind of the department, in giving this whole subject consideration, the idea that the time has come to approach the American system and what is, in effect, carried out in Ontario—that is, the grower of the leaf selling to the manufacturer and before the tobacco reaches the ultimate consumer to pay twenty cents a pound excise as is done in the United States. But a great many representations have been put before us—I think some probably by my hon. friend, and certainly from various parts of Quebec—that the leaf as grown in Quebec has not yet attained that general standard of perfection that would enable them in selling to get that price which is paid where the better varieties are cultivated, but they hope to get to that point. In the meantime, there is no doubt about it, if we cannot get the twenty cents a pound tax on manufactured tobacco, that is the excise tobacco, the very least we should do, and see that we do it, is to get five cents on the raw leaf, after it leaves the cultivator's hands.

Mr. LEMIEUX: Does my hon. friend dispute the Quebec license?

Mr. BURRELL: I am not "disputing"—my hon. friend is using the wrong word; I am quoting the words of those who have made strong representations to the department that they do not yet grow in Quebec a sufficiently large percentage of the finer varieties of tobacco to make cigars, but that they are working up towards that stage. They grow a very excellent tobacco now. They claim that if they were growing a larger percentage of the finer leaf they could very well place all this tobacco in the hands of the manufacturers and enable the Government to collect the 20 cents excise. But we find that the 5 cents on the raw leaf is not collected in very many cases because the packers, over whom we have no control, can dispose of the raw leaf without our knowledge. Therefore, for the protection of the grower as well as the Government, we say that every packer must be licensed and make a return of the tobacco he handles in order that we may have proper control.

Mr. LEMIEUX: The finest tobacco comes from the counties of Montcalm, L'Assomption, and Joliette; the best apples from the county of Rouville; and the best salmon from the county of Gaspé.

Mr. DENIS: I am taking a very keen interest in this tobacco question, because as the hon. member from Maisonneuve (Mr. Lemieux) has just pointed out, the best tobacco grown in Canada comes from the district of Joliette, which I have the honour to represent. I see that the fee charged to packers is raised from $2 to $50. What is the reason for this? Is it with the view of increasing the revenue?

Mr. BURRELL: No, not at all.

Mr. DENIS: Then what is the reason for the increase?

Mr. BURRELL: I thought I had explained that to my hon. friend just now. As a matter of fact I have very grave doubts whether we had statutory authority to charge a fee at all, and all we did in the case of the packer was to impose a very small fee of $2. We licensed the cultivator, but I do not think we had any statutory authority to license the packer. If the packer ever got rid of the tobacco it was

his business to affix the stamp, but we had no authority under the statute to control his operations at all. It is in the interests of the tobacco grower, as well as in the interests of the country generally, that the packers themselves should be under this degree of control by being licensed. It does not mean that they will be charged any more than 5 cents when they are disposing of their stock, but it does give us proper authority over people handling an excisable article.

Mr. DENIS: The minister is absolutely right, and I cordially approve of what he has just stated. But my point is: In order to know who are the packers is it necessary to impose a fee of $50? Would not the control be just as effective if the fee were $5 or $10?

Mr. BURRELL: I would suggest to my hon. friend that he do not press the point too much, because as a matter of fact it is very much in dispute whether a packer is not, under a strict interpretation of the Act a manufacturer, in which case he would be subject to a tax of 20 cents a pound. My hon. friend knows the fine distinctions there are between manufactured and unmanufactured tobacco, and I think in the interests of the growers themselves it would not be at all a bad thing to have the packers licensed with a fairly substantial fee so that the business may be regulated in a way far more satisfactory to the department and to the province generally.

Mr. DENIS: I withdraw my objection on that point and accept the explanation made by the minister. I notice that the packer will have to give a bond for $1,000. That is a considerable inconvenience.

Mr. BURRELL: If my hon. friend is objecting very much to that figure I do not mind cutting it in half, but we must have a bond.

Mr. DENIS: The point is that anyone who is giving the bond must make application to a bond company. Would it not be just as satisfactory if the bond were given by two individuals who are well known as responsible people in the district? The packer is usually a well known man and quite good for $500, and he could get his neighbours—

Mr. BURRELL: I do not think that would be advisable, for the reason that in the administration of other branches of the Inland Revenue Department this question has come up, and I believe the suggestion mentioned by my hon. friend was tried out, but in practice it proved to be very unsatisfactory. Nowadays there are so many of these guarantee companies that it is a perfectly easy matter to get a bond of $500, especially if the applicant is a responsible party. If my hon. friend would rather leave the section as it is I am perfectly willing.

Mr. DENIS: I do not want to lose what I have already acquired.

Mr. BURRELL: I would rather restrict it to bonding companies.

Mr. DENIS: Then I will have to accept the $500.

Mr. BURRELL: I move that section 15, subsection 2 be amended, in line 19 thereof, by striking out the words "one thousand" and substituting therefor the words "five hundred."

Amendment agreed to.

Section as amended agreed to.

On section 17—wood alcohol.

Mr. BURRELL: The latter clauses are practically re-enactments of the old Part X, which dealt with wood alcohol, except in so far as they deal with methyl alcohol and call it "Methyl-Hydrate" and also call it "poison," because it has been found that people seeing the term "methyl-alcohol," the word "alcohol" suggesting something to drink, sometimes drink it, and it has been thought better to use the chemical term "methyl-hydrate" and have the bottle marked "poison." The newer clauses are to be found in the first part of Part X and they deal with a new subject, that is denatured alcohol or methylated spirits. I think I briefly explained, when the resolution was before the House that up to the present time the department itself had been the sole manufacturer and purveyor of industrial alcohol, or methylated spirits. and now it has been thought well, on the representations of the manufacturing interests and of scientific and industrial people who are interested in all these matters of advanced industries, that industrial alcohol should be manufactured outside of the department and they will be able to get it a good deal cheaper in that way. Therefore, although the Bill that was proposed last year, imposed an excise tax of 15 cents a gallon on alcohol used for that purpose, we have wiped out the excise duty entirely; we will permit distilleries licensed for that purpose to manufacture ethyl alcohol free of duty and then to combine it with the

wood alcohol, making methylated spirits or industrial alcohol, at the lowest expense possible. They think, and I hope it may be so, that in this way industrial alcohol can be put into the hands of the manufacturers more cheaply that it has been in the past, and I shall be only too glad if their anticipations are realized and if this gives a great impetus to various forms of enterprise. That covers the main reasons for altering Part X.

Section agreed to.

On the title:

Mr. McKENZIE: I know the hon. gentleman who is in charge of this Bill will not be greatly interested in the question I wish to bring up, but I was going to suggest that we have reached, in our legislation in this country a stage where we should revise the statutes. I notice that this Act was amended in 1908, 1910, 1911, 1914, 1915 and 1918, and now it is being amended in 1920. My hon. friend can readily understand the predicament of a man of my profession who is called suddenly to defend or prosecute a man charged with violation of the Inland Revenue Act.

Mr. BURRELL: Defend, I hope.

Mr. McKENZIE: He looks up the Revised Statutes and he thinks he knows something about the law, but he is told it has been revised and re-revised and amended, and it takes a couple of days to find out where he is at. The same thing is true today of practically every chapter of the Revised Statutes, and I would suggest to the minister (Mr. Burrell) and the Minister of the Interior (Mr. Meighen) that we should revise the Statutes every ten years, depending upon how many amendments we make. Under present conditions I think a revision of the Revised Statutes is in order and has been in order for the last year or two. I would strongly urge upon the Government the necessity of having this work commenced at a very early date. The condition at present, so far as the profession of the law is concerned and those who have to administer the tax is very unsatisfactory, because of the uncertainty.

Mr. DENIS: I cannot too strongly support the view which has been expressed by my hon. friend (Mr. McKenzie). In this case in which I was particularly interested I had to go through all these statutes and study every one of them and make the necessary corrections. All practising lawyers are aware of this. The revision is a matter on which there would be no opposition whatever from either side of the House, because everybody is agreed that this work should be undertaken and the statutes brought up to date as soon as possible. I do not think anybody could possibly object.

Mr. BURRELL: I quite agree with my hon. friends (Mr. McKenzie) and (Mr. Denis). It is for the reasons mentioned that in this Bill we have repealed entirely Part X in order to make the Act plainer. Although I am not a lawyer or the Minister of Justice I am in thorough sympathy with a revision being made.

Title agreed to.

Bill reported, read the third time and passed.

## SUPPLY.

The House in Committee of Supply, Mr. Boivin in the Chair:

Mr. MACKENZIE KING: What Estimates is it proposed to take up?

Mr. MEIGHEN: Labour.

Mr. MACKENZIE KING: I would submit to the minister that there are a good many matters on which we would like to get information, and unless the minister is in a position to give us the information I think we had better not start on these estimates at this hour. We have had no discussion of labour matters this session at all, and I think it important that some opportunity should be given to hon. members to discuss labour questions. It is now 11.20 p.m., and the House sat until nearly 3 o'clock this morning.

Mr. MEIGHEN: I would suggest that we go into the Estimates and in that way we could have a better idea of the questions that are going to be addressed to the department.

Mr. MACKENZIE KING: As we have not yet taken up the Estimates of the Department of Labour, to discuss them to-night, being Friday, the unanimous consent of the House would be required. I do not feel at liberty to consent.

Progress reported.

On the motion of Hon. Mr. Burrell the House adjourned at 11.20 p.m.

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## Saturday, June 19, 1920.

The House met at Two o'clock.

## CUSTOMS ACT—PROPOSED EXPORT REGULATIONS.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister) moved:

That the name of Mr. McMaster be substituted for that of Mr. King and the name of Mr. Bureau for that of Mr. Lapointe on the Special Committee appointed to consider and report upon Bill No. 182, to amend the Customs Act.

Motion agreed to.

## SPECIAL COMMITTEE ON PENSIONS AND RE-ESTABLISHMENT.

### REPORTS AND EVIDENCE ORDERED PRINTED.

Mr. E. W. NESBITT (North Oxford) moved (for Mr. Cronyn):

That the orders of reference, reports, proceedings and evidence taken by the Special Committee on Pensions and Re-establishment, together with a suitable index to be prepared by the Clerk of the Committee, be printed as an appendix to the Journals of the present session, and that 200 copies in English and 50 copies in French be printed and sent to the Clerk of the Committee for distribution as instructed; also, that 1,000 copies in English and 200 copies in French of the third and final report of the said committee be printed forthwith for distribution in a similar manner by the Clerk of the Committee, and that Rule 74 be suspended in reference thereto."

Motion agreed to.

## SENATE BILLS.

### FIRST READING.

Bill No. 185, for the relief of Graziano Bertini.—Mr. Pedlow.

Bill No. 186, for the relief of William Henry Caswell.—Mr. Duff.

Bill No. 187, for the relief of John Covert.—Mr. Porter.

Bill No. 188, for the relief of Mary Ireland.—Mr. Nesbitt.

Bill No. 189, for the relief of John Daniel Mills.—Mr. Ross.

Bill No. 190, for the relief of Joseph Aimee Wilfrid David.—Mr. MacNutt.

Bill No. 191, for the relief of Richard Simpson.—Mr. Mowat.

Bill No. 192, to incorporate Reliance Insurance Company of Canada.—Mr. Casgrain.

## THE CANADA GRAIN ACT, AMENDMENT.

On motion of Right Hon. Sir George Foster (Minister of Trade and Commerce) the House went into Committee to consider the following proposed resolution, Mr. Boivin in the Chair:

Resolved, That it is expedient to amend The Canada Grain Act, chapter twenty-seven of the Statutes of 1912, and to provide,—

1. That section 157 be amended by adding a provision that the person operating a country elevator shall in the event of the purchase by such operator of any grain previously received at or in such country elevator and for which a warehouse storage receipt or a storage receipt for special binned grain was issued and is outstanding, issue, on the surrender of any such receipt, either a cash purchase ticket in the form A in the schedule to the said Act, dated the day the grain is purchased, for each lot or parcel of grain so purchased, or a tract purchase note in the form G in the schedule to the said Act, or a certified cheque drawn on a chartered bank of Canada for the amount payable for such purchase.

2. That subsection four of section 160 be amended to provide that in every case where grain has been delivered at any country elevator, or where grain which has been so delivered and for which a warehouse storage receipt for special binned grain was issued, is subsequently purchased by the operator of any such elevator and a cash purchase ticket issued therefor to the person by whom such grain was delivered as aforesaid or to the person lawfully entitled to hold and surrender such warehouse storage receipt or storage receipt for special binned grain, if the paying agent of such warehouseman within twenty-four hours after demand by the holder (provided such demand be made during twenty-four hours after the issue of the purchase tickets, neglects or refuses to redeem such cash purchase ticket, the said holder may at once, upon surrender of such cash ticket, demand in exchange therefor a warehouse storage receipt bearing the same date and place of issue, and for a similar grade and net weight of grain as was shown on the cash purchase ticket aforesaid. Upon return of the said cash purchase ticket to the warehouseman, he shall at once issue to the holder in exchange therefor a warehouse storage receipt of the same grade and quantity of grain as shown on the face of said surrendered cash purchase ticket.

3. That subsection three of section 197, preventing certain persons acting as agents to make application for cars, be repealed.

Mr. MACKENZIE KING: Will the minister please explain the effect of these amendments?

Sir GEORGE FOSTER: The resolution really explains itself, although it takes many words for the purpose.

Mr. BUREAU: The minister might point out the changes it contemplates.

Sir GEORGE FOSTER: Section 1 provides that where a country elevator makes a purchase of grain which is delivered in the elevator, or which is there for special storage that grain shall henceforth be paid for by certified cheque. Some considerable losses have accrued to the sellers of grain because cheques have been found not to have a requisite balance at the bank. When such payments are made up in future certified cheques shall be necessary. The second clause provides that where an elevator operator purchases grain which has been in storage in special bins or otherwise in his elevator and gives the cash purchase ticket which is required, if on demand after twenty-four hours' notice he

does not redeem the cash purchase ticket, then the seller of the grain shall have the right to ask for a warehouse receipt for a quality of grain equal to that which was covered by the cash purchase ticket.

Mr. CAHILL: What is the reason for the repeal of subsection 3 of section 197?

Sir GEORGE FOSTER: I was not here when that clause slipped through but it was never contemplated that it should be passed. It is a provision incapacitating certain persons from acting as agents in connection with the application for cars, and it seems to have operated adversely. We therefore desire to repeal it. When the matter comes before the House in the Bill I shall explain it thoroughly.

Mr. CAHILL: At whose request is this legislation regarding the marking of cheques being passed? I can understand that a great many elevators throughout the country would not have banks at those particular points.

Sir GEORGE FOSTER: It arises out of the experience and the losses of certain years and has been demanded by the grain growers of the West whose request was placed before the Board of Grain Commissioners. The matter was thoroughly investigated and the Grain Commissioners recommended this legislation.

Mr. MYERS: The first clause of the resolution will correct a grievance that has existed in the West. I personally know of worthless cheques having been given, with resultant losses. But there is another grievance which I wish the minister would take into consideration, and that is with reference to the Board of Grain Commissioners issuing licenses to carry on a grain business where the amount of business is not covered by sufficient bonds. I would refer the minister to a case which I think has already been brought to his attention, where a soldier by the name of J. A. Campbell, who enlisted in 1917, left instructions that when flax reached a certain price his supply was to be sold. His attorney sold the flax at the designated price, to a concern known as the Acme Grain Company. I have a statement of the business done by that company, which received a license from the Board of Grain Commissioners. They were bonded at $7,500 and the total amount of deficts was $35,000. This company had a deficit, and I should like the minister to incorporate in his Bill a provision making it impossible for grain commission houses to operate in this manner. A certain section in the Grain Act provides that sufficient bonds must be secured by grain companies to cover all liabilities. Now, here is one instance in which a soldier, while on duty overseas, lost $2,200 through this company carrying on business without having sufficient bonds. I would earnestly request the minister before he drafts his Bill to incorporate in it a provision to prevent the recurrence of a situation like that.

Then, there is the question of overages which possibly it may not be in order to refer to at the present time. I cannot see why a system which permits such large amounts of grain to be collected at the terminal elevators should be perpetuated. The hon. member for Vancouver Centre (Mr. Stevens) asked a series of questions relative to this matter and amongst the answers which he received was one referring to inspection and weights. It was admitted in that answer that the inspection and weights might be faulty. If the answer is correct some remedy should be forthcoming because we see every year possibly 250,000 bushels of grain in overages at the terminal elevators. When the producer sends his grain from his home market to the terminal he not only pays freight on the screenings but also on the overages and there does not seem to be any solution of this problem unless you correct the inspection and weights which were admitted faulty. I would like the minister to give that matter some consideration because, if there are 250,000 bushels of grain in overages, we know what that means with the present price of grain. That grain really belongs to the original producer. There is one thing which I do not think is considered in weighing out. I do not think they consider the weight of the screenings and if you do not get the gross in-weight and the gross out-weight that is something that should be given consideration.

These are two comparatively minor considerations but there is one other matter which I consider to be of the utmost importance. To my mind one of the chief causes of the agitation throughout the country is the Government's position in respect to the disposition of the 1920 crop. It is almost impossible to get any definite information as to the expenditure of the Wheat Board for last year's crop. We get very little definite information. The Wheat Board are only acting as agents for the producers and I believe we should have a more detailed statement of the expenditures in-

curred by the operations of this board. Then there is the question of whether the board is going to be continued for the handling of this year's crop. Some think that the Grain Exchange should be permitted to resume operations on the open market. If the Government act this year the way they did last year they will show very little stamina in regard to their policy. They allowed the Grain Exchange to open last year and to operate for about two weeks and then they immediately closed it. It would be rather interesting to know just the position that some of the members of the Canadian Council of Agriculture are taking on this matter. We have press reports stating that the Canadian Council of Agriculture desire the perpetuation of the Wheat Board. It would be rather interesting to know what position the hon. member for Marquette (Mr. Crerar) takes on this question.

Mr. CRERAR: What is your own position?

Mr. MYERS: I will tell you later, Sir. At the Cost of Living Committee of the House in the session of 1919, the Vice-President of the Grain Growers' Grain Company answered questions as follows:

Q. What is your attitude toward the Winnipeg Grain Echange? Do you think its operations are in the interest of the trade or the interest of the wheat industry?—A. You could not operate the grain business in Canada without the Grain Exchange.

Q. You therefore think it a necessity?—A. Yes.

It looks to me as if there was a divided House. Personally, I would like to see the Government announce its policy because there is such unrest throughout the country at the present time and I think the announcement of a policy would quiet that unrest. If the Government is going to control wheat, why not control other products?

Sir GEORGE FOSTER: May I say to my hon. friend (Mr. Myers) that this resolution and the Bill to be founded upon it have nothing to do with wheat or wheat control. I think my hon. friend will have an opportunity a little later to make the remarks that he may wish to make and to go into all these matters. His remarks are altogether foreign to this Bill.

Mr. MYERS: I said that possibly I might be out of order but as the House is nearing prorogation and we cannot get any definite information as to the policy of the Government I am simply taking this opportunity of bringing the question before the House.

Sir GEORGE FOSTER: I will be glad to read the remarks made on the other points, that were brought up by the hon. member, I did not catch all he said but I will read his remarks as they appear in Hansard and will take them up when we come to the Bill itself.

Mr. MYERS: This matter has already been brought to the attention of the Department of Trade and Commerce. It was referred back to the Department of Justice and then from the Department of Justice to the Board of Grain Commissioners and we simply cannot get a definite answer. It is a question of from pillar to post and from post to pillar.

Resolution reported, read the second time and concurred in.

Sir GEORGE FOSTER moved to introduce Bill No. 194 to amend the Canada Grain Act.

Motion agreed to and Bill read the first time.

## RETIREMENT OF MEMBERS OF PUBLIC SERVICE.

Hon. J. A. CALDER (Minister of Immigration and Colonization) moved the second reading of Bill No. 120, to provide for the retirement of certain members of the public service.

He said: Mr. Speaker, the purpose of this Bill is, I think, explained by the Bill itself. It is an Act to provide for the retirement of certain members of the public service. It will be remembered by the House that a somewhat similar measure was brought down by the hon. member for Halifax (Mr. Maclean) last year and, if I am not mistaken, it proceeded to the second reading and then was not advanced any farther, the reason being that upon consideration the Government finally decided that the provisions contained in the Bill of last session scarcely met the situation. Since then the problems involved have been re-considered with the result that the present measure is now before the House.

I am sure I need not refer at length to the conditions existing in the Civil Service. The matter has been one of discussion in this House ever since I have been here, and I presume for many years previously. There is not a member of the House who is not aware that there are defects in the Civil Service that should be remedied. I refer particularly to the over-manning, and also to the fact that there are a certain number in

the Civil Service of advanced age for whom no provision has been made for retirement simply because they do not come under the existing Superannuation Acts. For these reasons the Government has thought it advisable to make some provisions whereby this problem may be dealt with, and that is the main object of this Bill. I do not know, Mr. Speaker, whether any particular party, or any particular Government, is chiefly responsible for the existing condition in the Civil Service. We simply know the condition exists, and my own idea is that all parties and all Governments—one might say ever since Confederation—are responsible for the system and the conditions that have grown up under it.

Now the problem of taking care of that situation and reasonably dealing with it, I must frankly say, in my judgment is a very difficult one, and I think it is because of this difficulty that all Governments in the past have hesitated to deal with it. One of the main difficulties is simply this: That the idea has prevailed to a very large extent that once a man gets into the service he is there for life. The idea prevails in Government circles, and in the Civil Service itself, that once appointed always appointed regardless of conditions that may grow up and regardless of whether or not the services of such men should be retained. Another phase of the difficulty has been this: That men have come into the service properly appointed, and have been in the service for long years. The time has arrived when they should be retired and there is no existing provision for their retirement in the way of any compensation, or allowance, or gratuity or annuity of any kind. For that reason all Governments have hesitated to retire these men from the service the result being that they remained there, regardless of their usefulness, practically until their decease. Well, we have come to the conclusion if Parliament will agree, that an attempt should be made to provide some measure whereby this condition can be remedied, and this Bill is submitted to the House for that purpose. The Government is not wedded to the details of the measure. We are anxious that there should be a full and free discussion of the details, and if suggestions can be made that will enable us to provide better means than is contained in this Bill for the purpose of taking hold of this problem I can assure the House the Government will welcome them. I would like to state briefly—because the Bill is not a very long one—what the chief provisions are, in order that the House may grasp those clearly before we reach the committee stage.

In the first place the Bill provides that the Government may retire from the public service, either inside or outside, any employee whose services are not required, provision being made, however, in all cases for some allowance. The allowance in some cases may be very small, merely a gratuity; in other cases it may be an annuity as I shall explain later on. Let me state again, the Bill proposes to give the Government power to retire any officer in the Civil Service.

Mr. FIELDING: Whatever his age?

Mr. CALDER: Whatever his age. No matter how long he has been in the service, no matter what his work is, so long as it is finally decided that his services are not needed he shall be retired, but provision is made in every case for some allowance—what that allowance is we will see later on.

Mr. PARDEE: Provision is made for some allowance no matter what length of time the employee has been in the service?

Mr. CALDER: No matter how long he has been in the service. In some cases the allowance is very small as I have just explained. In the second case this provision is made: In the case of officers over 65 years of age the Civil Service Commission, after consultation with the deputy heads of the departments, are required to report to the Government those who are not rendering good and efficient services, and all such officers so reported shall be retired. Now that is very important.

Mr. FIELDING: Shall be retired?

Mr. CALDER: Shall be retired. The Bill provides that the Civil Service Commission, in consultation with the deputy heads of the departments shall consider the case of all officers in all departments of the Government over 65 years of age, and if the commission certifies to the Government any officers who, in their judgment, are not rendering good and efficient service, then those officers shall be retired but they will get the allowances provided for by the Bill. In the case of all officers under 65 years of age the Civil Service Commission—when requested by the Governor in Council and after consultation with the deputies—shall prepare lists of all officers and employees in the entire service who should be retired owing to advancing age, ill health, lack of experience or other cause, and the Governor in Council may order their retire-

ment, as in the case of those over 65 years of age reported as being unnecessary or unfit for further service.

Mr. MACKENZIE KING: In the inside and the outside service?

Mr. CALDER: In the inside and outside service. In the case of those under 65 the Civil Service Commission shall make an examination, in consultation with the deputies, over the entire field, and they shall report to the Government those whom they think should be retired and the Government may act on that report. Now as regards the allowances.

Mr. MARCIL (Bonaventure): Some of these old employees were appointed previous to the abolition of the Superannuation Act; that is previous to 1896, what are you doing with them?

Mr. CALDER: The superannuation will not be interfered with; and if it is decided that they should be retired they will get either what they are entitled to under the Superannuation Act, if that is the larger sum, or they will get their superannuation allowance plus any amount that they would be entitled to under this Bill.

Mr. TWEEDIE: With respect to an official, 66 years of age, who has been in the service of the country for 40 years, has he the right to retire voluntarily and demand the allowance that he would receive if he were removed from his position by the Government?

Mr. CALDER: No, he cannot retire voluntarily. If a man is only 66 years of age, and rendering efficient service, he cannot retire simply on his own will.

Mr. TWEEDIE: This is legislation to remove from the Civil Service of the country those persons who, in the opinion of the Government, may be regarded as useless civil servants just for the purpose of reducing the number of men on the staff? If the employee has not the right to retire voluntarily and claim his allowance, then we can consider this as in the nature of a pension Bill? It is simply to provide a pension for those who are retired because they are no longer necessary in the service of the country?

Mr. CALDER: That is very largely true, but it is rather a question that I think we might consider when we come to the committee stage of the Bill.

Now in so far as the allowances provided are concerned. In the first place provision is made that in the case of every person who is retired, regardless of his age or length of service, he shall be entitled to thirty days' notice and one month's salary, or, if no notice is given, then to two months' salary. That is to apply to every person who is retired under the provisions of this Act. In the case of all persons under the age of 45 years, no matter how long they may have served, the Bill provides that if retired they shall not receive more than two months' salary.

Mr. CRERAR: Is there any difference between being retired for inefficiency or for disability through illness?

Mr. CALDER: There is no difference.

Mr. MARCIL (Bonaventure): It is customary now to give a six months' retiring allowance.

Mr. CALDER: No. That may have been done in individual cases, but the general practice is two months' salary. In the next place it is proposed that any person over 45 years of age, even if he is, say, 60 years of age, who has rendered less than 5 years' service, will receive only two months' salary. Persons retired between the ages of 45 and 50 years, with at least 5 years' service, will be entitled to one month's salary for every four years of service, not exceeding in the total four months' salary. Let me give an illustration of how that will work out. Presuming a man is 49 years of age and he has given 20 years' service; he would be entitled to one month's salary for each four years of service, or five months' salary, subject however, to the maximum. In addition, of course, he would get the two months' salary I originally mentioned.

Mr. FIELDING: You are dealing with four year terms. Would he get a proportionate amount for a lesser term?

Mr. CALDER: Yes. In the case of persons retired between the ages of 50 and 55 years, with at least 5 years' service, the allowance would be one month's salary for each two years' service. As an illustration, take the case of a man 52 years of age, who has given, we will say, 24 years' service: He would get one month's salary for each 2 years, in other words he would be entitled to 12 months' salary. But there is a limitation, that in the case of a man between these ages who had served in that way the maximum allowance shall not exceed 6 months' salary, plus, of course, the 2 months.

Mr. BUREAU: That is 50 per cent of his salary.

Mr. BELAND: Oh, no.

Mr. CALDER: No; he would get 6 months' salary.

Mr. BUREAU: And that is all?

Mr. CALDER: Yes, simply a gratuity.

Mr. BUREAU: You had better make an appropriation for the poor house in the same Bill.

Mr. CALDER: In the case ot persons retired between the ages of 55 and 60, with at least 5 years' service, the provision is that the lump sum allowance shall be 1 month's salary for each year of service with a maximum not exceeding 8 months. In other words, if a man betwen those ages served fourteen years he would be entitled to one month's salary for each year of service, or 14 months' salary, except for the proviso that he is not to receive more than 8 months' salary. In the case of persons retired over the age of 60 years who have served at least 5 years but less than 10 years, the provision is the same as the last —those persons will be entitled to one month's salary for each year of service. All payments that I have referred to so far are lump sum payments.

As for persons retired over the age of 60 years, and who have seen at least ten years' service, the provision is that they shall be entitled for each year of service to one-sixtieth of the average salary they have received for the last 3 years. Under the old Superannuation Act the allowance was one-fiftieth with a maximum of thirty-five fiftieths if they served over 35 years. In this case persons over 60 years of age who have served more than 10 years will get an allowance of one-sixtieth with a maximum of thirty-sixtieths, or one-half of their salary and that is payable during their life.

This brief statement covers the provisions contained in this Bill. These allowances may be roughly divided into two classes. In the case of officers retired under the age of 60 years who have not seen 10 years' service provision is made for a lump sum gratuity running from 2 months up to 10 months' salary. In the case of officers over 60 years of age who have served for at least 10 years, provision is made for an annuity, the smallest amount payable being ten-sixtieths, or one-sixth of the average salary for the last 3 years, and the maximum amount allowed being thirty-sixtieths or one-half the salary paid for the last 3 years.

Mr. SINCLAIR (Guysborough): Will the minister allow me a question? The lump sum is said to be one-half but in the latter part of clause 3 there is a provision that:

> In the case of an officer who is retired under the provisions of this Act on account of physical disability or protracted illness, the payments authorized by this subsection may be increased by the Governor in Council to any amount not exceeding twice the amount of such payments.

Does that mean that the Governor in Council may give the whole salary or not exceeding twice the amount of six months' salary.

Mr. CALDER: No.

Mr. SPEAKER: If the hon. minister chooses to answer the question of the hon. member—and I hope he may—well and good. But I wish to direct the attention of the House to the rule that in a debate on the second reading of a Bill only the principle can be discussed and questions of detail must be left to be dealt with in Committee of the Whole.

Mr. SINCLAIR (Guysborough): I obtained the permission of the minister, Mr. Speaker, before putting my question.

Mr. SPEAKER: Yes; I had that in mind.

Mr. CALDER: In reference to the point raised by the hon. member for Guysborough, the proviso to which he has referred applies only to those officials under 60 years of age who would be entitled under the Bill to a lump sum gratuity. If upon the joint certificate of the Civil Service Commission and the deputy head of a department it is reported that an officer who is retired by reason of physical disability or protracted illness should receive more than the lump sum gratuity provided by the Bill then the Government may pay an additional amount, not exceeding twice the sum provided for. But that is applicable only to persons retired who are entitled to a lump sum gratuity, not to those who are retired and are entitled to an annuity.

These are, briefly, the main provisions of the Bill. I am aware that there will be differences of opinon as to the provision that will be made to meet this situation; that members on both sides will have divergent views on the subject. However, I hope that as a result of our discussions some means will be arrived at of enabling the Government to deal with the problem. I am sure hon. members will agree that the condition in the service to which I have referred should not be allowed to continue. If it is thought that the provisions here made are not ample or are over-ample, any suggestions made in that regard will be welcomed by the Government. Last year the member

for Shelburne and Queens (Mr. Fielding) expressed regret that the old superannuation law had been abolished; he thought that the situation to-day would be easier for everybody if that law had been continued in force. Personally, at the next session of Parliament I should like to see a proper Superannuation Bill brought down and enacted into law in order that the situation that has arisen as a result of what has taken place during the last fifteen, twenty, or thirty years may be dealt with. But the condition is bound to continue and to become intensified unless a proper superannuation law is provided. I move, Mr. Speaker, the second reading of the Bill.

Mr. JACQUES BUREAU (Three Rivers): Mr. Speaker, before the Bill is read the second time I should like to say a word or two. I have not taken occasion to study the Bill closely, because I did not think it would be pressed now that the session is drawing to an end. The Bill is a very important one, affecting the future of a good many men and women who have devoted their lives to the service of the country. As I understand it, under the provisions of this Bill, after a civil servant has put in so many years' service, he is paid a lump sum based on his salary during a number of months and the length of time he has served, and then he is out. Mr. Speaker, it is with civil servants as with railwaymen; after they have served for twenty, twenty-five or thirty years in some line of Government work; after they have continued this length of time in one groove or followed a routine line of work, they are not in a position to take up any other line of business and fight their way through. They are used to this work and they cannot familiarize themselves with or break themselves into new work. Under the provisions of this Bill men and women will be thrown on the street without any means of starting anew in order to earn a living. Under the circumstances this Bill ought to be referred to a committee or to some commission, with instructions to investigate the conditions and report upon what course should be adopted to protect these people. I admit, with the Minister of Immigration (Mr. Calder) that there are men in the service who are unable to perform their duties or to give to the country the service expected from them or the service that they ought to give. I admit that these persons should not be there; but sometimes it is not the fault of the civil servant that that is the case. I know from experience that as a person advances in age he finds himself less able to render service, less capable of doing efficient work, than he was when he was younger. But if his younger years have been devoted to this particular service, there ought to be some recognition of that service; he should be taken care of. Take the case of a man who has raised a family. If he has to withdraw when he is sixty years of age with, say, $1,000 or $1,200——

Mr. CALDER: The hon. gentleman will allow me? He is arguing on the assumption that in all cases only a lump sum gratuity is granted. That is not so.

Mr. BUREAU: Over sixty?

Mr. CALDER: Those over sixty who have served more than ten years are entitled to an annuity based upon one-sixtieth of the average salary of the last three years, for each year of service.

Mr. FIELDING: Besides the lump sum?

Mr. CALDER: Oh, no; not besides the lump sum. Assume that a man who is over sixty has been in the service for twenty-four years; he would be entitled to an annual payment for life of an amount equal to twenty-four sixtieths of his salary for the last three years. Just one further word. Under the old Superannuation Act a man who had paid in his three per cent or his two and one-half per cent, as the case may be, would be entitled to only one-fiftieth, notwithstanding the fact that he has been paying all these years. We did not consider it fair that the man who had never so contributed should be placed upon as favourable a basis as the man who has contributed during all this time; consequently we provide that the man over sixty and now retiring who has not so contributed shall be entitled to only one-sixtieth of his average salary for each year of service, instead of one-fiftieth.

3 p.m.

Mr. BUREAU: A man over sixty who was retired from the service would not be a big charge on the community, because his lease of life is not very long, especially if he has been locked up in an office all the time and has not been able to get much exercise —although it is charged against Civil Servants that they do not over-exert themselves.

Mr. BURNHAM: Where does the hon. gentleman get the idea that these people are serving their country? They are earning money the same as anybody else.

Mr. BUREAU: Does my hon. friend not think that we are serving our country when we are sitting here?

Mr. BURNHAM: No.

Mr. BUREAU: Well, a man who does not think he is serving his country when he is sitting here ought to tell that to his constituents and stay at home; that is my private opinion. If my hon. friend says that a man who comes here, abandoning his business, does so chiefly for the purpose of picking up his indemnity or of blowing in—

Mr. BURNHAM: When my hon. friend sits down, I will reply to him.

Mr. SPEAKER: Order.

Mr. BUREAU: Very good. In the meantime, we will talk about the Superannuation Bill, and my hon. friend (Mr. Burnham) may serve his neighbours and serve himself and forget his country when he sits in the House.

I was going to say that a man over sixty gets a small annuity, whereas a man who is fifty-nine gets not an annuity, but ten months salary in a lump sum, and he is out. Well, there is not much difference between the man who is fifty-nine and the man who is sixty; one is no better able to go into the world and earn his living than the other. As I have said, those who have spent their lives in the service cannot easily break themselves into another kind of work; they cannot readily enter another calling and make a success of it. Moreover, the small amount which is given to the man when he leaves the service is not sufficient to enable him to start up even a little business for himself. When my hon. friend (Mr. Burnham) rose to express his indignation that I should impute to civil servants the motive of trying to serve their country, I was going to point out that it is humiliating the men who have worked as civil servants all their lives—(I shall not hurt the feelings of my hon. friend (Mr. Burnham) by saying that they have served their country)—and who have spent all their earnings in the education of their children and the bringing up of their families, should upon retirement not be given enough to keep them in daily bread for the remainder of their days. I say it is humiliating; it is a condition that ought not to exist. We are very optimistic in everything that concerns our country. We are willing to take care of the people who inhabit our country. We have great resources; we are not afraid of the future. Are we to invite people to enter the Civil Service and tell them that when they reach a certain age and are not able any longer to render efficient service—because it is true that you cannot get the same service out of a man who is well advanced in age that you were able to get in his earlier years,—upon the report of the proper officer they are to be dismissed with absolutely nothing to protect them in life.

Under the circumstances I think this Bill should at least be considered further and that a commission of some kind should be appointed to go into the details and recommend what they thought was the best way to provide for these civil servants getting up in years, so that they would not be thrown out of employment with no provision made for their old age. I have no criticism to offer as to the necessity for some legislation of this kind, because I know that something must be done. You cannot keep these people in the service until they die. There is a certain age at which they ought to be retired. But I submit that they should be retired in such a way that life from the time of their retirement until their death will not be a misery and a curse.

Mr. T. M. M. TWEEDIE (West Calgary): Mr. Speaker, I agree to a very large extent with the statements made by the hon. member for Three Rivers (Mr. Bureau), but I think this is a matter which the Government of this country should take hold of at once. In my opinion the situation can best be dealt with by a pension scheme. The provision made by this Bill for a man sixty years or over seems to be reasonably fair, but I think it is rather unfair to say to a man of fifty years of age and from that up till sixty: We will dispense with your services on the payment of a certain sum of money. I understand from what the minister says that they will be dispensed with only on the ground of incapacity to perform their duties or inefficiency. I take it that any man who might be discharged for insubordination or neglect of his duty will not be entitled to receive any money under this Bill whatever. I think the Bill is a step in the right direction, but in my opinion it does not go far enough. The only way this question can be dealt with is for the Government of this country to establish a pension scheme for the whole Civil Service. If we want to raise the standard of efficiency of the Civil Service of this country, the Government should hold out to them some inducement in connection with the performance of their duty that they will be taken care of in their old age. The tendency of modern business is to make some provision for its employees of all classes, whether they be engaged in menial work or something higher, that they may have some hope of reward when they

attain that age in life when they are not able to provide for themselves. There are some outstanding cases in this country so far as the widows of civil servants are concerned, which are an absolute disgrace to the Dominion of Canada. All over this country I could point to cases of men who have served this country for forty or fifty years, but who were not able when they died to leave one single cent to those they left behind. Widows of perahps sixty or seventy years of age and more have been left practically penniless. I say it is the duty of this Government to provide for these families just as much as it is the duty of the civil servants themselves. If this Bill goes through this session, which I trust it will, I hope that the suggestion of the Minister of Immigration (Mr. Calder), that a comprehensive pension scheme will be introduced into this House next session, will be carried out, and that our civil servants will be taken care of by this Government just as well as they would be by private concerns.

Mr. JOHN H. BURNHAM (West Peterborough): Unless all the old people of this country are pensioned, no class has a right to a pension. It is an absurdity to say that a man who enters the Civil Service by passing an examination, and who is anxious to get into the service and considers himself lucky when he does get into it, should be held up as a patriotic citizen who has served his country just as much as if he were a soldier at the front and were making some sacrifice. If he does not want the job, let him get out. Nobody supposes that the Civil Service is composed of men who are brought in by a press gang. I never heard anything like it in my life. These men who have fine salaries, and who have organized themselves into associations which hold up the Government every little while in order that their salaries may be sufficient, are now held up as martyrs, while the really poor people of this country who have enjoyed no such advantages and no such salaries are allowed to look after themselves the best way they can. The thing is simply preposterous. It is indefensible, and I venture to say that if any such scheme as this is propounded to the country, the country will kick it into the middle of next week. It is contrary to all the ideas of labour; it is contrary to all the ideas of any just and reflecting man. Anybody who has the ideas also that members of Parliament come here for the purpose of simply serving their country had better look at the members of Parliament working their heads off to get the job. There is no self-sacrifice about it. They can step out any minute they like. Let us consider this thing on its merits, and not in any assumed hysterical way. These people want the job. It is a common question of hiring. Pay them decently, and let them put by something for themselves. If they wish to make provision for old age by contributions to a retirement fund, well and good, but as to this country paying them something by way of an admiration allowance at the finish, after they have spent, in extravagant living all that they received, because that is what it would amount to, to my mind it is simply preposterous and I protest against it.



Hon. W. S. FIELDING (Shelburne and Queens): If the principle of this Bill is to make provision for the retirement for the aged members of the civil service and in some cases of those who, though perhaps not aged, are not efficient, I am quite prepared to endorse that principle and commend the Government for its adoption. But I notice that the Minister of Immigration (Mr. Calder) speaks of this as a temporary measure and expresses the hope that we will have another Bill next session. Why next session? This is not a new question. It has been before the Government and before Parliament for a number of years. Why is it in the last hours of the session we are asked to pass a temporary measure in the hope that we may have another Bill next session?

Mr. CALDER: If my hon. friend will allow me just a moment,—under this Bill there will be retired many civil servants who have not contributed towards any pension or superannuation fund. It seems to me that any proper superannuation measure must provide that the civil servants themselves shall contribute, but as I say, we have in the service many who have not contributed, and it seems to me we must have some half-way measure that will partially, at least, meet the situation.

Mr. FIELDING: Not a half-way measure, but have two halves of the same measure. It does not follow that we must have two Bills. I agree that a superannuation system should include contributions by the civil servants. I am not going to oppose this Bill, as I think its purpose is a good one, but I think that the Government with all the time they have had—and, I am not suggesting that they have not been

busy with other matters, but this question has been a live one for a number of years —should have brought down a comprehensive scheme for the whole service. I think a mistake was made, and I am responsible, as other ministers were, when the old superannuation system was abolished years ago. I quite agree, though perhaps my colleagues would not, that we made a mistake then, and I would like to correct it. I think the Government, with all the time this matter has been before Parliament, should have brought down a mature measure not a temporary one. I desire to support this Bill, but I do not think it is dealing with the question in the broad way it should be dealt with. As to the general question of superannuation and an allowance for the older officials, I find myself very largely in accord with what has been said by my hon. friend for Three Rivers (Mr. Bureau) and my hon. friend from West Calgary (Mr. Tweedie).

Hon. T. W. CROTHERS (West Elgin): I did not expect this Bill would be brought before the House so soon. However, as my hon. friend from Shelburne and Queen's (Mr. Fielding) has said, it is a matter that has been discussed for many years. Under your ruling, Mr. Speaker, the discussion at this stage must be confined to the principle of the Bill; we cannot go into its details. I want to say that as to the principle I agree very much with what my hon. friend from Peterborough (Mr. Burnham) has said. I am utterly opposed to the principle of this Bill, and I believe the great majority of the people of this country are also opposed to it. Let me give one or two reasons. We are facing a difficult situation just now because years ago proper provision was not made by Parliament. I think it is in the interests of the public that when a man reaches that stage where he is not efficient, some provision should be made in order that he may retire and not be destitute during the rest of his life. But the provision should be made by himself out of his own wages or salary, during his twenty-five, thirty, or forty years of service, just as you or I have to do. I do not take any stock whatever in the statement that A, B, C, and D have given their services to the country for twenty-five, thirty or forty years. I do not know any one who has given his services to the country. There may be some, but I do not know of them. There are a good many, I have no doubt, who could earn a great deal more money if they were not in the public service; but there are other motives than money that actuate men in getting into the public service. Now, why should men who are being paid while they do their work—who are being paid, generally speaking, more while they are in the public service than they could earn anywhere else in the world—when they reach the age of sixty-five be put upon the country for the rest of their lives? Who has given his services to the country for twenty-five or thirty or forty years? Nobody. Public servants are being paid, and paid better than they would be anywhere else in the world. I say, there are some exceptions, but there are very few, compared with the number in the service. What happens when a vacancy of any account occurs? Why, men are falling over one another to secure the position. What is the reason? It is because they know very well that they would be better treated in the Civil Service than anywhere else in the world, not only as regards salary, but in many other respects. Civil servants, for instance, have twelve statutory holidays in the year. They have twenty-one more days for their annual outing,—three weeks. Three weeks used to mean eighteen working days, but they discovered that they wanted twenty-one working days and that was yielded to them, so that they have twenty-one and twelve, or thirty-three days out of the year. Then they have every Saturday afternoon the whole year round, which means twenty-six more days. Then if a civil servant is sick for two months or six months or a year or two years in some cases he is paid full salary; or if his wife is sick, or his daughter, his father or his mother he is excused from duty and his pay goes on. These are perquisites of value, and the civil servant enjoys them while others do not, at least not to so large an extent. As I said a few weeks ago, by way of illustration, two young men come to Ottawa from the same little town. They are about equal in ability and in education, and one goes into the Civil Service while the other enters a private concern. The one in the private concern has to provide for himself and his family for old age and a rainy day. After having served in a private capacity for ten or fifteen or twenty years he receives no pension or superannuation; that is, generally speaking, for some of the large corporations provide retiring allowances. The other man goes into the Civil Service and after his ten or fifteen or twenty years of service he gets a pension. His fellow man has to provide for his family himself; and after the civil servant has been in the

public service for this length of time he has to help him provide for his family. Is that fair or just?

I quite understand that without some provision of this kind you will find some civil servants, perhaps through no fault of their own, through some misfortune or illness or because of extravagant families, who find themselves at the age of sixty-five or seventy years unable to do efficiently the work assigned to them. Well, no one could find in his heart any desire to turn out on the street a man in such circumstances. You cannot do that, and the result is that he is kept on after he has become inefficient. I fully agree that some provision should be made for a man, when he reaches that age and state, to retire. But how should that provision be made?—By the people of the country or by the man himself?

There is nothing in this country that we lack so much to-day as self-reliance. Give a man in the Civil Service a salary sufficient to enable him to provide for old age by way of some sort of life insurance. The Government might retain a certain percentage of his salary and invest it so that when he reached the age of seventy the money which his own self-reliance provided would enable the Government to pay him, according to his state in life, a reasonable sum so that himself and his family might live in comparative comfort. He would then know that he was supplying that money himself.

Among the many repulsive words in the English language these two "tip" and "pension" I dislike the most. Why? Because they have a degrading effect upon the man who is looking for the things they signify. Every time a man holds out his hand for a tip or something that he has not earned, a little bit of his manhood oozes out of his finger ends. Let these men, I say, provide for old age themselves. Give them a salary to enable them to do so, as others have to do, and you encourage thrift amongst them. What does the man say who expects superannuation. Why, he says, "I can spend every cent I earn because the people of the country are going to keep me in the future. I am going on the country when I reach a certain age and the people will keep me." That does not encourage thrift; on the contrary it fosters extravagance and the opposite of thrift. Thrift, like self-reliance, is lacking to a large extent in this country to-day. We find all classes of people coming to the Government for something; they want something from the Government. Self-reliance is indispensable; but instead of thrift and self-reliance we have extravagance. Sir, thrift has come to be regarded as a vice in this country. Having regard to our comparatively small population and our comparatively small accumulation of wealth, I think we are the most extravagant and wasteful people on the face of the earth.

Mr. LEMIEUX: What about the Government?

Mr. CROTHERS: I do not confine this statement to any particular class. Now, Sir, how should we deal with these men? There are some men who have not contributed anything, and something would have to be done for them. But I think we should at once prepare for the future under a system which would enable the Government to retain from the civil servant's salary a certain necessary percentage. Give him—I want to repeat this—a sufficient salary to enable him to provide for old age, and let the Government retain out of that salary sufficient to enable it to provide for his retirement when he reaches whatever age is thought desirable as the limit.

Mr. LEMIEUX: Compulsory insurance, for instance?

Mr. CROTHERS: Give him such a salary, and retain such a percentage of it as will enable him in old age to maintain himself for the rest of his life.

Mr. LEMIEUX: Compulsory insurance.

Mr. CROTHERS: Yes, that would be compulsory insurance. You encourage thrift and self-reliance thereby; you encourage a man to feel that he is a man, that he is paying his own way, that he is not depending upon the people of this country to maintain him in old age. I am strongly opposed to the principle of this Bill, I believe my constituents are opposed to it, I believe the country at large is opposed to it, and I desire to oppose it with whatever little influence I may have. When it comes before the committee we will have an opportunity of discussing it in detail.

There is one subclause that I would like to call attention to because it proposes to superannuate a man who never was capable of filling the position that he held. Subsection 2 of section 2 provides that:

> The Civil Service Commission shall, when requested by the Governor in Council and after consultation with the deputy heads, prepare and submit to the Governor in Council for approval of the names of all officers—

Fifty thousand civil servants from one end of this country to the other

—who, being under sixty-five years of age—

A man may be only thirty.

—and by reason of advancing age—

There must be something wrong about that because the first part of the clause applies no matter what his age is.

—failing health, physical disability, lack of experience or ability—

He never had ability, he had no ability when he was appointed to the Civil Service.

An hon. MEMBER: It is not necessary.

Mr. CROTHERS: My hon. friend says it is not necessary. I am sorry to say that has often been the case in the past. But he has no ability and under this section he may be only twenty-five or thirty years of age.

—lack of experience or ability or other cause are incapable of rendering or do not render efficient service.

Never was capable, never had ability, only thirty years of age, getting more here than he could earn anywhere else in the world and then you put him on the country for the rest of his life. My constituents do not approve of that, and I desire to support them as strongly as I can in that position. The only way to provide for the retirement of those men who have become inefficient by old age is to provide for them on money contributed by themselves so as to maintain their own self-reliance and self-respect.

Mr. CALDER: My hon. friend must remember—

Mr. SPEAKER: The hon. member (Mr. Calder) has spoken twice and he has not under the rules the right to reply at this stage.

Mr. MARCIL (Bonaventure): The principle enunciated by the hon. member for West Elgin (Mr. Crothers) may be admirable in its application to the future but what is he going to do with the man who will be turned out to-morrow because he is over age?

Mr. CROTHERS: I have already referred to that. It is a difficulty that we have not yet had time to consider, and I do not think we will have time to consider it during the balance of this session.

Mr. E. W. NESBITT (North Oxford): Mr. Speaker, there is a great deal to be said, I think, from the points of view of my hon. friend from Three Rivers (Mr. Bureau), and my hon. friend from Peterborough (Mr. Burnham) and my hon. friend from West Elgin (Mr. Crothers). On reading the Bill it will be seen that the proposition, in most cases, is to give a man two months' salary when you discharge him. I doubt if there are many people in this House who, if they were dealing with their own employees privately, would not be willing to give them two months' salary when they discharged them because they did not need them. Where he has worked faithfully for ten, fifteen, twenty or thirty years, whether he has been serving his country to the best advantage or not, the tendency of the world at the present time is to give that man something to live on after he is unable to work for himself. That apparently is the proposal of the Bill. I think the Government have really found a middle course between the views of the hon. member for Three Rivers and those of the hon. members for West Peterborough and West Elgin. Therefore I hope we will go into committee, consider the Bill clause by clause and do what is absolutely just and reasonable not only between man and man but between employer and servant.

Mr. J. H. SINCLAIR (Antigonish and Guysborough): Mr. Speaker I sympathize very strongly with the views expressed by the hon. member for West Elgin in reference to this matter. I do not see that there is any good reason why we should retire and provide for incapable men who have been but a short time in the public service. It is unreasonable that we should be asked to do that. We must be continuing to appoint incapable men. The Bill infers that we have such men in the public service. We know that during the last year or two complaints have been made by those at the head of departments that the men who are sent to them by the Civil Service Commission are incapable. We had the case of Commander Ross who could not carry on his work in the Pensions Department with the staff that he had sent to him and he resigned. He himself was a good man, willing to do his best for the public but he found it necessary to give up his position altogether and resign from the public service because the men who were sent to him by the Civil Service Commission were incapable of doing the work. That appears to be the position. We are appointing people to the public service so fast that they have become so numerous that the matter looks hopeless to me. According to a statement made in the House this ses-

sion, we have appointed 25,000 men since the Armistice but that figure was revised by the hon. the President of the Privy Council (Mr. Rowell) and he said that only 12,000 of the 25,000 were still on the pay roll of the Government. That is about 660 every month since the Armistice and it is going at a pretty good rate. If a large proportion of those people that we are appointing are incapable of doing the work, and we make provision for retiring them without their contributing anything to the retirement fund, I must be allowed to place myself on record against the principle of this Bill. I do not think it is necessary to make any long speech about it but I want it to be understood that I do not think the principle of the Bill is sound. I think we should wait until a Bill can be brought in that can provide for these people making some contribution out of their salaries for retirement. That is the only sound principle. If we are going to deal with this question at all, let us deal with it on business principles. There is no commercial company in the country—I suppose there is none in the world—that would do what we are doing to-day. If the bank employs a man and it finds that he is incapable of discharging his duty it lets him go but if it decides to keep him for a number of years in its employment it sees that he pays a certain amount into the fund to provide for his retirement. That is a good system, but it is not the system we are adopting. We are appointing men and women for the public service at the rate of 660 a month many of whom are incapable, and we are now providing that the country shall take charge of them when they are retired.

Mr. MICHAEL STEELE (Perth South): I have only a word to add to the discussion, and I rise at this time to express that word because of the fact that a year ago I had the honour of being chairman of a special committee of the House that was appointed to investigate conditions in the Civil Service. After spending many days investigating those conditions we made a report based on the information which was brought to our attention. One paragraph of that report was as follows:

> Statements filed with your committee and the evidence adduced at the various meetings, indicate that over one hundred employees are, through increasing years, unable to render efficient service, but in the absence of any provision for superannuation there appears to be no way of retiring them without hardship, having in view the many years of faithful service rendered.

[Mr. J. H. Sinclair.]

Now that is a condition that we found, and it seems to me that the question before the House at the present time is, what we are going to do with these civil servants who, on account of advancing years, are unable to give efficient service for the remuneration they are receiving. The country is caring for many of these men to-day; and I speak in all kindness when I say that we are caring for them in the most expensive way it is possible to care for them by keeping them on full salary in the public service. It seems to me that the suggestion of the Government, as contained in this Bill, is one that will very greatly reduce the cost of looking after these men. The only question, to my mind, is whether the Government has been generous enough in the provisions of the Bill for this purpose. I know that superannuation schemes are not popular these times, but I think it is in the interest of the country that we should have some scheme—call it what we will, superannuation or insurance—something which will enable the civil servants when they reach that stage of their life that unfits them to give service for their salaries, to be retired. I believe such a scheme could be worked out as will involve little or no cost to the country. I think it could be made largely self-supporting by contributions from the civil servants themselves; but in the meantime it is very important from the country's point of view, to have some method of retiring the old servants who have become unfitted, through age and disability, to perform their duties efficiently, instead of continuing them in the service of Canada at full salary.

Hon. T. A. CRERAR (Marquette): The purpose of the Bill is one that I entirely sympathize with. It appears to be an effort on the part of the Government to care—or rather to give a measure of care—for inefficient and incapable public servants who may have been in the service for some time past and whom it now seeks to discharge. I think we perhaps may do these people who have been in the service of the country an injustice—I rather think that in some respects an injustice has been done to them to-day in the remarks that have been made by some hon. gentlemen. One of the evils of the patronage system in the past in Government appointments in this country has been to place in our Civil Service many inefficient people, and that has happened for the last forty years. Consequently we have in the Government service to this day men and women who secured their positions as a re-

sult of political pull or influence perhaps 25 or 30, or even 35 years ago, and have remained in the service ever since. Now it is all right to say that they should be turned adrift without anything in the way of pension or assistance at the time they sever their connection with the public service, but I think there is an obligation resting upon the country and upon the Government to give a measure of care to them. If I have any criticism to offer it is along the line of that of my hon. friend from South Perth (Mr. Steele), that the Government might very well have been a little more generous in dealing with those classes that are referred to in these clauses. Now I take it, this legislation is not directed to the end of working out a permanent pension system. I believe in a permanent pension system, Mr. Speaker, in the public service, and I believe in it because it will pay the country to have it. I differ in that regard from my hon. friend from Elgin (Mr. Crothers). We find to-day that the most successful business corporations who employ large numbers of men are adopting a pension system. True. it may be in different forms, but nevertheless they are adopting the principle of the pension system. And why are they doing it? They frankly put it on a basis of service—on the basis of dollars and cents if you like—for their business. There is nothing so harrassing to the person living on a small salary as the fear of want in his old age, and I can conceive of this: That a public employee whose mind is troubled with such thoughts cannot bring an entirely clear head and clear judgment to bear on the duties he is discharging day by day. If you can assure him against the fear of want in old age, you are creating an atmosphere for him to work in, which will result in his rendering more efficient service than he otherwise would; and consequently upon the basis of utility alone I think the principle of a pension in the public service—a principle which, as I say, large industrial corporations are adopting—can be defended and justified.

Mr. CROTHERS: If the hon. member remembers accurately what I said he will recall that I spoke in favour of the employee providing for old age, for the man himself out of his own money providing for old age, and the Government paying him sufficient salary to enable him to do so.

Mr. CRERAR: My hon. friend and I are travelling in the same direction to some extent: The principle I think is a sound principle; but the matter should only be settled after full inquiry into it. It does appear to me that a principle that might well be adopted in the case of a permanent pension fund is that whereby the employees and the Government both contribute to the creation of the fund. Certainly I am at one with my hon. friend from Elgin in the view that the employees should contribute to such a fund, and I think the Government might also very well add something to it. That pension should only come after a long period of service. We then could operate on this basis: That only efficient people should be taken into the public service and kept there. Then with such pension system, as the case may be where your public servant could look forward on retiring from the public service at the end of 25 or 30 or 35 years to something that will guard him against want in his old age, you have to my mind the conditions that will bring efficiency in the highest degree to your public service.

I have another criticism to make in respect to this matter and it is this: I am inclined to think, Mr. Speaker, that we are giving too much power to the Civil Service Commission in the matter of the administration of the public services. Now I am for a Civil Service Commission; I do not want to be misunderstood in that regard. I am free, however, to say this: That if I were again undertaking to administer a department of the Government I have sufficient conceit in myself to imagine that I could probably administer my department better without the aid of a Civil Service Commission. Still, I recognize that a department of the Government is different from an ordinary business in many respects, and consequently that it is necessary and highly necessary, to have your Civil Service Commission. Nevertheless it is a mistake, in my judgment, to hamper the control of the staff of a department through the operation of the commission. After all, if you have men of sound judgment and ability at the head of your various branches of a department these men—who are in daily contact with the staff under them—in my judgment are best informed as to their efficiency and ability; and when you take the matter of controlling the staff largely out of their hands and give it into the control of the Civil Service Commission then you are creating a condition of affairs that does not make for good discipline or efficiency in your departments. I recognize, Mr. Speaker, that on this point I may be trespassing some-

what beyond the bounds of this Bill, but the whole matter is related, and I am inclined to think that perhaps we have erred a little in charging the Civil Service Commission with too much responsibility in the control of the staff of our various departments.

Mr. ROBB: In 1912 the Government obtained the services of Sir George Murray, a British expert of long standing and knowledge of civil service matters, and he made a report on the reorganization of the service. This report, like many others, was pigeon-holed. In 1918 Parliament gave authority to the Civil Service Commission to deal with this matter, and I think they engaged the firm of Arthur Young & Company of Chicago. That firm also made a report. Is the minister in introducing this Bill guided by the report of Sir George Murray, or by the report of Arthur Young & Company of Chicago?

Mr. LEMIEUX: He is guided by Chicago, of course.

Mr. McKENZIE: We have not the necessary information to deal with the subject matter of this Bill just now, and I do not think we should agree to its passing. It is not a light matter to turn people out on the street when they cannot support themselves and their families, and it is better that the country should bear some losses than that any such action should be taken. If we have not heretofore taken proper precaution in engaging our civil servants so as to make them provide for their old age, that is not altogether their fault; it is to a very great extent our fault. We have created the system, and thousands of people have become victims under it. We must not get wise all at once and cut off their heads. As it was necessary to have a committee last year and this year to deal with soldiers' pensions, I think in a lesser degree it is necessary that we should have the most thorough investigation into the steps which we are about to take. We should know from every department the number of men and women who must be retired, what it is likely to cost, and full details of the working out of an Act of this kind. I certainly think that this business should be dealt with as a comprehensive whole rather than piecemeal. I do think that this is too hasty a move. Apparently the minister did not have the necessary time to fully consider the working out of the proposals contained in this Bill, for he cannot tell the House what it is going to cost nor how many people will be affected.



It seems to me that the minister is not providing for the necessary machinery to inquire into who shall be retired and who shall be retained. We have the experience already that, good men as are the Civil Service Commissioners, they do not seem to have courage to do anything. Last year it was up to them to act on the classification made by their experts, and it was acknowledged on the floor of the House that the commission refused to take the responsibility of putting that classification into effect. To use a vulgar term, "They got cold feet," and declined to take action. I would not care to leave a question of this kind to be dealt with by that commission. I would prefer to see such a question referred to a capable tribunal of one, two or three men so that absolute justice might be done. I do not think the Governor in Council should have anything to do with a matter of this kind, because political influence would be at once exerted,—and I am sure that the kindly disposition of the minister who is introducing this Bill would render it very hard for him to pass judgment on old members of the service and so force them on the streets in a penniless condition.

I would advise the minister to let this Bill stand over until next session. During the recess he could appoint a commission, if he likes,—although we are tired of commissions—to go fully into this question so that their conclusions may be placed before us next session and we will be in a better position to take whatever action may be taken.

Mr. MACKENZIE KING: The hon. member for Chateauguay (Mr. Robb) has referred to two commissions that have been dealing with the Civil Service; the commission of which Sir George Murray was chairman, and the commission recently appointed by the Government to reorganize some of the branches of the service. On looking at the Order in Council appointing the gentlemen who are to go over the service for the second or third time, it would seem as though their work would be more or less identical with the work of the Civil Service Commission in reclassifying the service under the Bill now before us.

The Order in Council appointing the firm of Griffenhagen & Company—the members of which firm were formerly associated with Arthur Young & Company—contains a section which seems to parallel the authority given the Civil Service Commission. This is the section I refer to:

The committee—

that is the Committee of Council.

—after careful consideration is of the opinion that a very substantial saving, together with more efficient and orderly work, would result from the reorganization of Government departments on the lines pursued by that Company. They are of opinion that the services of Griffenhagen and Associates, Limited, should be retained and that the reorganization of the departments at Ottawa should be proceeded with, taking up for a commencement the two Departments of Post Office and Customs, the former of which has some 24,000 employees and the latter some 4,000 odd.

I hope when the minister replies he will kindly explain to the House the relationship of these two bodies: The Griffenhagen Company in dealing with the Post Office, Customs and other departments, with a view to "more efficient and orderly work resulting"; and the Civil Service Commission in passing upon what employees shall be retired. Assuming there should be a conflict of opinion between these two bodies, who is to decide? Does it not open the door to confusion rather than to co-ordination of effort?

Mr. T. HAY (Selkirk): I wish to say that I think it is a very good temporary measure. The different departments find themselves overloaded with old employees, in many cases incapable and inefficient employees, and the purpose of the Bill is to clean up the different departments. This proposed legislation will, to some extent, do that; therefore, I am in favour of the Bill.

I would like to place myself on record as regards pensions. I quite agree with the remarks made by the ex-Minister of Labour (Mr. Crothers) in that regard. I believe that some system of pensions for civil servants should be worked out, but in my opinion such a system should be carried by the civil servants themselves. As the minister has said, a system of pensions which is carried exclusively by the country has a tendency to create extravagance, and to some extent, inefficiency in the service.

I quite agree with what the hon. member for Marquette (Mr. Crerar) has said regarding civil servants and the Civil Service Commission. I think that we are allowing that commission to go too far in managing the affairs of the different departments of Government, and that a curb should be placed upon them. The present system does not make for efficiency in any respect. My experience in matters connected with public works in my constituency leads me to the conclusion that the present system results in inefficiency in all branches of the service. As a result of the present procedure on the part of the Civil Service Commission in advertising for men we are getting a class of men who are not capable of properly doing the work required of them. They seem to be responsible to nobody; the men in charge have no way of getting rid of them; they do just about as they please. Something should be done to give the heads of the different departments, superintendents and others, some authority over the men as respects the way they do their work and the kind of service they render. I have recently received a letter from a man connected with the work of one of the departments in my county, and he says that is the way it works out in his department; he finds that the present system makes for inefficiency. We are not getting sufficient return for the money expended in these departments. Something should be done to remedy the state of affairs. I simply desired to place myself on record with regard to these matters and to state that I am in sympathy with the Bill which is now before the House for second reading.

Mr. CALDER: Just a word or two.

Mr. DEPUTY SPEAKER: It is my duty to inform hon. members that the minister is about to exercise his right to reply and to close the debate. If any other hon. member desires to speak, he should do so now.

Hon. J. A. CALDER (Minister of Immigration and Colonization): Mr. Speaker, I merely wish to touch upon one or two points raised during the course of the discussion.

The member for East Elgin (Mr. Crothers) and, if I mistake not, the member for Guysborough (Mr. J. H. Sinclair) contended that under the Bill we contemplated providing that young men twenty-five, thirty or thirty-five years of age who had served the country for a very short period might retire and receive an annuity for life. Well, there is no such provision in the Bill. As I explained quite clearly in my opening remarks, in the case of all men under the age of sixty years who retire after serving five years, all that we give is a lump sum gratuity.

Mr. CROTHERS: Where do you find that in the Bill?

Mr. CALDER: It is in the Bill; we will come to it when we get to the committee stage. The amount paid varies from two months' to ten months' salary, the latter being the maximum amount allowed. Every Government at Ottawa since Confederation has provided a retiring allowance to men

who leave the service. I know that during the last two or three years, while I have been here, no person has retired from the service without being granted at least two months' salary; that seems to be an established practice. Well, as I explained, in the case of all men under the age of forty-five years who are retired, all we do is to continue what has been the practice for I do not know how long—in other words, any man retiring under this measure who is not over forty-five years of age cannot receive more than two months' salary. So that when hon. gentlemen picture to the House and endeavour to picture to the country our granting an annuity for life to young men who have served only a few years—well, that is not the provision of the Bill at all.

4 p.m.

Mr. CROTHERS: I do not agree with the minister.

Mr. CALDER: We will see about that when we get to the committee stage. A second point was made by some hon. gentlemen to the effect that we might as well let this matter stand; that we might as well wait until we bring down a proper superannuation law, in order that these men may contribute. Well, we are beyond that stage. These men are in the service; they are ready for retirement; they should be retired. What is the use of waiting? These men are not going to contribute anything in the future; they are beyond that stage. The situation, therefore, is one which must be dealt with now.

Mr. CROTHERS: Is there anything in this Bill to indicate that it does not include persons appointed hereafter? Does it not include everybody?

Mr. CALDER: But they would not be entitled to anything until they had served over five years.

Mr. CROTHERS: It is not confined to those who are in the service now?

Mr. CALDER: Oh, yes.

Mr. CROTHERS: Where do you find that?

Mr. CALDER: We will deal with that detail when we come to the committee stage. Inquiry was made some months ago as to the number of men in the service over sixty-five years of age who should really be retired. I have not the list here, but I made a list of some forty-three of those. I have not their names. The average age of these forty-three is 70.39 years; average length of service, 27.83 years; average salary for the last three years, $1,924. The total salaries now paid to these forty-three employees is $84,900, and if they retired under the provisions of this Bill they would be entitled to annuities amounting in the aggregate to $40,670. Well, now, if the House does not wish to agree to the Bill; if the Government is not to be placed in a position to deal with this situation, there is a very easy course to follow,—that is, to let things stand just where they are. In other words, we can continue these men in the service and pay them a total of $84,900 a year, although they are not rendering one dollar's worth of service to the country. These men are all ready for retirement; most of them wish to be retired; they are not giving any service. If, I say, the House does not agree to our making some provision under which we can take care of these people, we can simply do nothing; we can continue to pay them at their present rate of salary until they die. I do not think that is what this House wants and I do not think it is what the country wants. Nevertheless, that is exactly what will happen unless some such provision is made.

Mr. STEVENS: Would the minister consider the desirability of fixing a maximum on the amount to be paid out under this Bill?

Mr. CALDER: If this Bill goes through we shall have to bring down in the Estimates a sum that will cover any retirements under this Bill. I think for this year that should be a reasonably moderate Estimate until we have had an opportunity of finding out just what the situation is.

Let me give the committee one or two concrete instances that have come under my observation in my own department. As the hon. member from Marquette (Mr. Crerar) has said, Governments in the past, and I say frankly, all Governments in the past are responsible for this situation. I found in my department when I took charge men who had been appointed over the age of seventy. Some of them are now over eighty years of age and have nothing at all laid by for their old age. When I retired other men in the service of 45 and 50 years of age, I gave them only two months' allowance, but these older men I have mentioned who have been in the department 8 or 10 years have nothing at all. I cannot turn these people out just because Governments in the past made mistakes. Are we going to continue to allow these men to remain

there until they die and pay them their salaries, when they can give no proper service to the state for the money they draw? I say no. I say we should take hold of the situation and deal with it the best we can. The Government has given this problem a great deal of consideration. We have studied it from every angle, and we have come to the conclusion that the measure before us is the only legal means of dealing with the problem that confronts us. I do not say that the Bill should not be modified, that the detailed provisions made for dealing with the situation cannot be improved, but I do say that the situation at the present time is such, and will continue to be such, that we must have some measure of this nature before we can deal with it at all. The passing of a new superannuation Act that would deal with the future and compel all officers in the service to contribute, is not going to deal with this situation. We have now in the service some 600 or 800 men who are contributing to a superannuation fund; they are taken care of, but we have also in the service men who have been there for a long period of years and who have contributed nothing at all, and whose service has practically ceased so far as giving any value is concerned. It seems to me that we must deal with this situation, and deal with it reasonably, both from the standpoint of the public and of the officers who are to be retired.

The hon. member for Huntingdon (Mr. Robb) inquired whether this Bill follows the recommendations of Sir George Murray or the Arthur Young Company. I think it follows neither. I have not read Sir George Murray's report for a couple of years, and I do not recollect whether he made any suggestions regarding this problem or not, but I doubt very much if he did.

Mr. MACKENZIE KING: Was his report ever considered by the Government?

Mr. CALDER: It has been considered several times, and many of the suggestions contained in that report are now being worked out under our new Civil Service Act. The report of Sir George Murray was considered very thoroughly when the Civil Service Act was amended years ago. I do not think this Bill is based upon anything contained in Sir George Murray's report, and I am quite certain it is not based on any recommendations or suggestions by the Arthur Young Company. The Government has been working on this problem itself, in an endeavour to find means of dealing with it. This problem has been before all Governments of Canada for the last 20 or 30 years, and no Government in Canada has faced it before, simply because it bristles with all kinds of difficulties. Any man who has had any experience at all of the administration of public affairs knows perfectly well the nature of the difficulties that are met with in a problem of this nature. Unless Parliament at this time makes some provision, the river is simply going to continue to roll, and conditions will continue to get worse. My own hope is that before this House rises this measure either as it is, or modified as may be found necessary, will be put through in order that we may proceed with this work, which really must be done.

The leader of the Opposition (Mr. Mackenzie King) has pointed to a possible discrepancy between the provisions of this Bill and the Order in Council which provides for the appointment of the Arthur Young Company, or a branch of that concern, to inquire into the question of the re-organization of various branches of the Civil Service.

Mr. MACKENZIE KING: A possible overlapping.

Mr. CALDER: There is just the possibility of overlapping. It seems to me that if the company that is to make an inquiry into the re-organization of certain branches of the service is to proceed with the work, there must be co-operation between that company and the Civil Service Commission. It goes through that mill before it ever comes before the Government at all, and when that is done, I think there will be no difficulty. As the matter stands at present, there is just the possibility of overlapping, but I am quite sure that steps will be taken so that this overlapping will be done away with.

I do not know that there is anything further that I can add. So far as the principle is concerned, I think that we have pretty well covered the ground. I am not going to ask that we consider the details at this moment because I must leave the Chamber in connection with some other work. I think it is just as well to give hon. members the fullest opportunity of reading the Bill and thoroughly understanding its provisions.

Motion agreed to, Bill read the second time, and the House went into committee thereon. Mr. Boivin in the Chair:

On section 1—definitions:

Mr. CALDER: I move that the committee rise, report progress, and ask leave to sit again this day.

Progress reported.

## SUPPLY.

The House again in Committee of Supply, Mr. Boivin in the Chair.

Administration of Justice—Miscellaneous expenditure, $10,000.

Mr. FIELDING: This is the first presentation of the Justice Estimates, is it not?

Mr. DOHERTY: Yes.

Mr. FIELDING: Of course, this is not the proper day, but we shall have to waive that.

Mr. LEMIEUX: I understood that by agreement last year it was decided that, if we sat on Saturday, before going into Committee of Supply a motion would be necessary. I would ask Mr. Speaker to express an opinion on the point.

Mr. SPEAKER: If the hon. member will refer to the Votes and Proceedings he will observe that the motion for Saturday sittings provides that the order of business on Saturday should be the same as on Friday. That being so, the rules applicable to Friday also apply to Saturday. That has always been the practice.

Mr. CAHILL: What is the meaning of the item, "salary of purchasing agent"? This seems to be something new.

Mr. DOHERTY: We have not reached that item yet; this is miscellaneous expenditure. However, I may say that heretofore this item for salary of purchasing agent figured in the penitentiary service, but it was thought desirable, at the time the change was made, that as we had purchasing to do in connection with the police force, the purchasing agent should be an officer of the department generally. This item, therefore, appears under this head this year while the penitentiary estimate will show that much less. It does not represent an increase in our expenditure; there is a corresponding decrease in the penitentiary estimates.

Mr. LEMIEUX: Although the incident was mentioned in the House before, I take this opportunity of again calling the attention of the Minister of Justice to the very peculiar situation that has arisen out of the arrest of the two brothers Labrie. While the explanation given by my hon. friend the other day seemed plausible, yet I am not convinced that it is satisfactory. I do not know the merits of the case, which was heard before the jurors at the Sherbrooke Assizes. I understand that the two Labrie brothers were arrested and that they appeared before the jury on a charge of murder, and a verdict of manslaughter was found against them. As I say, I am not familiar with the circumstances of the case but I know that a verdict of manslaughter was returned. I understand that one of the men was sentenced to life and the other to twenty-five years in the St. Vincent de Paul Penitentiary. This is outside of the case, but I may say that, from the information I have and from what I have gathered from the press, it seems that the sentence was considered as rather severe. Of course, we have nothing to do with that; both the sentence and the verdict are established facts. I say that the sentence was found very severe because of the fact that the prisoners, who were released under proceedings on a habeas corpus writ, were received, as they reached Sherbrooke, a very orderly and law-abiding city, by the whole population. The people went to the station to welcome them, as though there were a feeling amongst them that the judge who had pronounced the sentence had dealt rather harshly with these men. Of course, I repeat, I do not know the merits of the case itself, and I simply now refer to the strange position in which the Department of Justice, the Attorney-General, the Superior Court of Montreal, and the officers of the St. Vincent de Paul Penitentiary find themselves at the present moment.

The accused, after having been found guilty, were sent to the penitentiary, and their counsel prepared the proceedings for the issue of a writ of habeas corpus. He appeared before Mr. Justice Duclos, and after having argued his case—I have not the record before me—Mr. Justice Duclos, whom my hon. friend has appointed as one of the judges of the Superior Court in Montreal and who enjoys a very high reputation as a jurist, found that there was an error in the commitment and granted the writ of habeas corpus. The two Labrie brothers were released and free they were, but only for a few days, or perhaps a few weeks. They returned home and received a remarkable welcome, a fact which, while I make absolutely no inference from it against the sentence, shows that there was something originally which was possibly wrong in the sentence that was pronounced by the pre-

siding judge at Sherbrooke. The people of that city received the prisoners as welcome visitors. They returned to the farm. They seemed to be respected citizens of their community. In the township in which they resided they appear to have enjoyed the esteem of their neighbours. But suddenly an officer—is it an officer of the Department of Justice or an officer under the Attorney-General?—

Mr. DOHERTY: The arrest was effected by an officer of the court,—

Mr. LEMIEUX: At all events, an officer of the court—

Mr. DOHERTY: Whose activities were set in motion by the Attorney-General of the province.

Mr. LEMIEUX: A judicial officer appears and re-arrests the two Labrie brothers who had been set free by order of the court. They are forthwith returned to the St. Vincent de Paul penitentiary. Naturally, this created quite a sensation. Their counsel immediately took fresh proceedings to get the prisoners back before the court. From the information I have—and it has been made public in the press—it appears that the counsel of these two men have been refused admission to St. Vincent de Paul penitentiary to confer with their clients. I received a letter to that effect from Mr. Cabana a few days ago. I will hand it over to my hon. friend if necessary. He was denied that privilege. One of my hon. friend's confreres of the Montreal Bar has been denied access to the St. Vincent de Paul penitentiary where he might confer with these two unfortunate prisoners.

Mr. DOHERTY: To whom did they apply for admission?

Mr. LEMIEUX: To the St. Vincent de Paul authorities.

Mr. DOHERTY: At the penitentiary?

Mr. LEMIEUX: Yes. I have not the letter under my hand at the moment but I will send it to my hon. friend. The warden of the penitentiary who is an officer of the Government, has absolutely ignored the orders of the court since.

Mr. DOHERTY: The hon. gentleman must be very badly misinformed.

Mr. LEMIEUX: And to the scandal of the legal fraternity and the bench and the public generally, he has been found guilty of contempt and has been sentenced to one year's imprisonment.

Mr. DOHERTY: Does the hon. gentleman affirm these as being facts that he is now stating? The hon. gentleman is entirely misinformed.

Mr. LEMIEUX: I read the other day—

Mr. DOHERTY: In the newspapers—yes. Of course the hon. gentleman is at liberty to state the fact as he understands it.

Mr. LEMIEUX: If it is not a fact I will have no hesitation in withdrawing the assertion.

Mr. DOHERTY: My information, and it comes from an official source is that the process with which the hon. member is perfectly familiar—

Mr. LEMIEUX: I will conclude in a moment. I wish to have the benefit of my hon. friend's explanation of the whole case. I do not wish to prevent him from making a statement. I am informed—and if I am wrong so much the better—that an officer of the Department of Justice, namely, the warden of the penitentiary, has ignored the orders of the court. There are many ways of ignoring them. He may have evaded service of the papers on him. He may suddenly disappear and the bailiff may thus be unable to serve him with the papers which would force him to appear before the court. As regards his being condemned by the judge to one year's imprisonment, of course, I have the press report for it. If I am wrong it is because I am erring with the press. One should not be surprised if the press should be wrong at times.

Mr. DOHERTY: Occasionally it is.

Mr. LEMIEUX: At all events I think I can affirm that the officers of the department did ignore, and are ignoring at the present time, the orders of the court.

Mr. DOHERTY: Quite mistaken; I will explain.

Mr. LEMIEUX: If my hon. friend will kindly explain I will be very glad but the incident has created a situation in legal circles and among the public generally which is to say the least regrettable. It is described as a travesty of justice.

Mr. DOHERTY: If the facts were as the hon. gentleman has apprehended them he might be justified in his statement.

Mr. LEMIEUX: There is this fact, that these prisoners were at St. Vincent de Paul penitentiary, that the judge of one of the courts of the land caused to be issued a writ of habeas corpus which re-

leased these two men. They were free. They returned to their home and then, without any proceedings, without any legal steps being taken, summarily—shall I say brutally?—no—but summarily, an officer of the Crown appears, takes hold of the two free men, because they were free at that time, and returns them within the four walls of the St. Vincent de Paul penitentiary.

Mr. BUTTS: What is wrong with your court?

Mr. LEMIEUX: If there is anything wrong with the court the evil can be cured by legal process. I would like to have an explanation from my hon. friend the Minister of Justice, I know that he is in earnest in this matter and that he would not stand for any miscarriage of justice.

Mr. DOHERTY: Not if I can help it.

Mr. LEMIEUX: He will admit with me that the case is a serious one. It is a case where the liberty of the subject is involved. I was taught in my young days when I was studying law that the habeas corpus was the palladium of British liberty and that its maintenance on the Statute Book is dear to every British subject wherever he goes in the Empire. Here are two men in St. Vincent de Paul penitentiary. A writ of habeas corpus is issued. They are set free in virtue of that writ and they are re-arrested without any judicial process and summarily handed back to the authorities at St. Vincent de Paul. When their counsel attempts to bring them back before the courts he cannot have access to his clients. The officers of the Justice Department at St. Vincent de Paul will not obey the orders of the court. If it is necessary that the law be amended to prevent the recurrence of such a travesty of justice, let us amend the law.

My hon. friend may find that the expression is too strong, but if the case is as I have stated, it is a traversty of justice, even though strictly legal. There cannot be any appeal from the judgment of Mr. Justice Duclos, and I say that for the sake of justice itself—for the respect we owe to justice intrinsically then we should not allow any person, even the Minister of Justice himself, to do an injustice to a man without having regard for the proper legal processes.

Mr. DOHERTY: I am willing to say still less the Minister of Justice than any other man.

[Mr. Lemieux.]

Mr. LEMIEUX: Of course. Will not the minister admit that as the case stands today—if you maintain that strange situation—the public are led to believe that in spite of the judgment of the court—which judgment may be right or may be wrong—you take the law into your own hands.

Mr. DOHERTY: The hon. member is proceeding on the assumption that somebody has disobeyed an order of the court, whereas nobody has done so. The whole question that my hon. friend seeks to argue before this House is now regularly before the courts of the country to be passed upon and, under the contention that respect should be paid to those courts, he is seeking to transfer the discussion to this Parliament before the court has had an opportunity of pronouncing on the matter at issue. I quite understand that this is the result of his placing reliance upon erroneous information.

Mr. LEMIEUX: The information is not erroneous so far as regards the granting of a writ of habeas corpus to these two men.

Mr. DOHERTY: The first writ of habeas corpus was obeyed.

Mr. LEMIEUX: It was obeyed, but was the writ of habeas corpus afterwards obeyed when you re-arrested the two men? By virtue of what legal process was that done?

Mr. DOHERTY: A process of court emanating from the Court of King's Bench at Sherbrooke, subsequent to the issuing of the writ.

Mr. LEMIEUX: Will my hon. friend now explain the case?

Mr. DOHERTY: Yes, I certainly shall be very glad to do so. I think the hon. member's account of what took place fully deserves the description which he attributed to what, under his misinformation, he supposed had been done, it is a perfect parody on the facts of the case. Now let us begin at the beginning. These men were sentenced by a competent court. With that sentence, of course, the Department of Justice has nothing to do; with the enforcement of that sentence—so far as the carrying of it out by bringing these men to the penitentiary is concerned—this department has nothing to do. Under the law it is the duty of Canada to provide penitentiaries in which men sentenced for more than two years, shall be received and kept in execution of the judgments of competent courts. A writ of habeas corpus issued. It was

argued. No notice of these proceedings was given in any way to this department, properly speaking that was not necessary. I am not finding any fault with that. But this department was not represented at the application for the first writ of habeas corpus, and I am not suggesting there was any necessity that it should have been. The Attorney General of the province, charged with the administration of justice, is the proper opposing party in the case of such an application. In referring to that part of the case I rely upon information which any person making inquiry may have.

Mr. LEMIEUX: Was the Attorney General represented there?

Mr. DOHERTY: I believe he was. There is no use mentioning names because I am not sure. I think his representative at Sherbrooke acted for him upon the application for habeas corpus. The honourable judge granted the writ and ordered the release of the men. That writ was obeyed and the men were released. But the hon. gentleman will quite recognize that the circumstance that that happened did not alter the fact that the conviction and the sentence still stood. I am informed that the ground on which the judge granted the writ was that there was something irregular in the way in which the men were brought to the penitentiary. He did not decide—of course he could not have decided—that the judgment of the court, the conviction and the sentence were not legal; he was not a court of appeal from the court of King's Bench. He decided, as I understand it, that there was something irregular in the document of commitment or warrant.

Mr. BUREAU: But these men were illegally held in the penitentiary.

Mr. DOHERTY: Just a moment. At that time by reason of some irregularity in the proceedings by which these men were taken into the penitentiary they had not been legally brought in and therefore were not legally held under that commitment.

Mr. BUREAU: That is the gist of the whole thing.

Mr. DOHERTY: Will the hon. member allow me to call his attention to something. It had not been held that the conviction was illegal, or that the sentence was illegal: they both stood as the judgment of a competent court ordering that one of these men should spend 25 years, and the other a lifetime in the penitentiary. Both conviction and sentence stood intact. With the execution of that judgment this department was not charged. The Attorney General of the province was charged with the duty of seeing that judgment—which stood absolutely intact—should be executed. One attempt to execute it had failed by reason of an irregularity, but the judgment was not satisfied: These men were men at liberty under sentence to be in the penitentiary.

Mr. LEMIEUX: Could they not have claimed "autrefois convict"?

Mr. DOHERTY: What I am trying to point out is that Mr. Justice Duclos did not pretend to decide that they were not properly convicted. As I say, the judgment of the court stood. Now the law officers of the province of Quebec, at whose, head I am sure the hon. member will agree, is a very distinguished lawyer in the person of the Hon. Mr. Taschereau—and the head of the Government—a gentleman who was for years the Attorney General of the province of Quebec, and who I am sure nobody, certainly least of all my hon. friend (Mr. Lemieux), would question, is a lawyer of outstanding reputation—that Government and the Attorney General are by the law charged with the administration of justice and the enforcement of the judgments of the criminal court. They thought that it was their duty not to allow these men—men still under sentence—to go scot free because there had been some irregularity in the first steps taken to execute that judgment. As I say, there was an irregularity in the method of execution but the judgment stood. They may have been right or they may have been wrong, but they had a duty to discharge and that duty was to see to the enforcement of that judgment in accordance with the law. They were advised that since there was an irregularity in one commitment, and the judgment still stood, the proper thing to do was to issue a regular commitment. They therefore caused a commitment to be issued and a warrant to be delivered to the proper officer of the court, and, as I said the other day, although that was no part of our obligation, we did feel that we should allow our officers to be of assistance to these law authorities in so far as they might properly be so in connection with the execution of that warrant.

On that new commitment, these two men were brought to the penitentiary. The warden of the penitentiary had the previous week got an order from one judge to release these men. The following week arrives the pro-

per law officer with the new commitment emanating from the court ordering the warden to take these men in execution of the sentence, and he obeyed that order. I think the hon. gentleman will himself admit that the warden had no option to do otherwise.

Mr. LEMIEUX: Will not my hon. friend at once admit that the expression "parody" is not too strong when we find that situation existing: An officer having to say "Yes" to-day and "No" to-morrow?

Mr. DOHERTY: I do not want to use the expression, if my friend will pardon me, for the reason that the "parody" is in the contradictory orders of the courts; and that is one of the very substantial reasons pointed out by the Supreme Court of Canada why a judge on habeas corpus should not, once it appears to him that men are in jail under the judgment of a competent criminal court, undertake to let them out. It is not for him to decide the regularity of the procedure of the Court of King's Bench. My hon. friend says that when a court makes a mistake there is a remedy by appeal. That is absolutely true. If there was an irregularity in the proceedings of the Court of King's Bench under which these men were committed to the penitentiary, there was a remedy by writ of error —or other proper recourse by way of appeal. I am not quite sure that my hon. friend and I are not at the moment both guilty of contempt of court, because we are discussing questions which are now actually pending before the Superior Court in Montreal.

The difficulty has arisen in this case that somebody has, with all respect, introduced into it, with the desire to create a sensation.

Mr. LEMIEUX: No.

Mr. DOHERTY: Then if it was not with that motive I am at a loss to know what motive prompted him. But let the motive go. Somebody has erroneously introduced into this matter the suggestion—which, of course, in its nature is sensational, whether it was his motive or not—that there has been something in the nature of a rebellion on the part of the Attorney General of the province or of the Minister of Justice of Canada. In that regard I think the Minister of Justice has got an undue share of attention, if I may mention it, because I may say that so far I have not seen any criticism of the Attorney General of the province in regard to the procedure—and I am glad of that because he deserves no criticism, but however that may be, unfortunately there has crept into this matter some conception of the existence of a desire to rebel against the orders of the court.



The order of Mr. Justice Duclos having been obeyed, it was exhausted. As I say, at the instance of the law officers of the province a new commitment was issued, and the officer of the court arrived at the penitentiary with the order of the Court of King's Bench that one of these men should be detained in the penitentiary for 25 years, and the other one for his life. Under the order the warden took charge of the two men. Then what happened? Counsel for these men made application for a new writ of habeas corpus. Now, I really think it is an unfortunate thing that I should be put in the position of having to discuss this matter at the present time, because whatever reputation may be sought to be given to me in this connection for lack of respect for the courts, I have the highest respect for the courts and this matter is actually before them. A second writ of habeas corpus was issued on a Saturady—I do not know at what hour. It was made returnable at half-past ten on Monday morning. It was served on Saturday night—I do not know at what hour. No notice was given to the Attorney General of the province, although according to a practice that always existed in the days when I practised law, and which I am assured on the highest authority still prevails in cases of that nature, it is the rule that notice should be given to the Attorney General of the province. No notice was given to him. Sunday only was allowed to intervene between the service of the writ and its return. The order was to produce these men before a judge who was not the judge sitting in the practice court, but the judge who had issued the previous writ of habeas corpus. I am not suggesting that that affects his jurisdiction. I am only pointing out the chain of events. The order was made returnable in Room No. 4 of the court house —not in Room 31, which is where the practice court habitually sits and lawyers expect to go for practice matters. This Room No. 4, as no doubt hon. gentlemen familiar with the location know, is in a wing or annex of the courthouse.

At half-past ten on Monday morning the warden, in company with the representative of the Attorney General of the province, was in the practice court—the place, as I say, where such matters usually are dealt with. He was there with his return, and that return, as I had occasion to mention the other day, was in the words of a return

which, under like circumstances, had been declared by the Supreme Court of Canada to be sufficient. Now, unfortunately, as I say, the writ was made returnable in another room, and the judge was in that other room, and there seems to have been some misunderstanding about it; but in any event, the judge, by reason of the non-production in that room of the two prisoners and the non-appearance of the warden, made an entry on the back of the writ ordering the liberation of the prisoners, and then proceeded to issue what is called "a rule nisi," which, as hon. gentlemen familiar with the form know, orders that in view of certain things a man shall be imprisoned, and in this instance he was to be imprisoned for a year. But there is always the little saving clause at the end, "nisi causa contra." This rule, like all these rules, said: "Unless cause to the contrary be shown, on Monday next, the 21st of June."

Mr. LEMIEUX: My facts are pretty accurate, then.

Mr. DOHERTY: The hon. gentleman said that the court decided that he had been guilty of contempt and ordered him to go to jail for a year. But if somebody made an application for contempt against any one of us, the rule that would issue would order that this man, having been guilty of contempt, be imprisoned for such a period of time unless cause to the contrary be shown. That is the rule which, I am informed, issued against Mr. Malepart. Mr. Malepart is represented by counsel and through his counsel will show cause on Monday morning, and then we will know whether or not Mr. Malepart was guilty of contempt. I do not want to discuss at all the effect of the writing on the back of the writ an order for the release of the men concerned. It would seem to me clear, whatever my opinion may be worth, that such an order would be at least premature. I think that anybody who gives the matter a moment's thought will realize that on a writ ordering the production of men for the purpose of ascertaining on what grounds they are held it is hardly possible for a judge, without any returns, to know the grounds on which they are held and to order their release. Hon. gentlemen will admit that for all that there was before that judge at the time in the form of a report, those men might have been convicted of an entirely different offence and committed again on an entirely different commitment. I do not think that that was intended to operate as an order for the release. However, I realize that there is a certain impropriety in my expressing these opinions, because this matter is before the courts. When I had occasion to make a statement the other day I gave assurance that we would do our very best to have the matter judicially disposed of. That is the extent of our disposition to be guilty of contempt of court. I omitted to say that the warden's return was filed; it is of record in the court. It was filed, if my information is correct, at 10.45, he having been in company with the representative of the Attorney General in the practice court in the court house in the city of Montreal for the purpose of having that return produced in the meantime. Now, so far as the suggestion of disobedience is concerned, out of this unfortunate confusion about rooms has grown this mythical refusal, not only of the warden, but, I understand, of the Minister of Justice and of the Attorney General of the province, to obey a writ. Now, I do not want any confusion. It is the fact that the men were not actually produced that morning. And why? Because the warden was advised that there was not jurisdiction and that he should take the proper course that everybody takes when he thinks an order has been issued without jurisdiction: that is, that he should go before the court and most respectfully submit the reasons why he believes that the court has not jurisdiction, and that is what he did. I have not any doubt—well, I do not want to say that I have not any doubt about legal questions; I suppose that is not becoming, but my impression is that if we had not had this little mistake as to rooms and that return had been put in before the judge the court then or later, if it thought it necessary to have the matter under advisement, would have decided the question that was then raised. As I understand it, that is among the questions which will come before the court on Monday morning. I may say that my information is that on Monday morning the matter will come before the Chief Justice of the province of Quebec .I think hon. gentlemen will agree with me that it is a fortunate thing—

5 p.m.

Mr. LEMIEUX: Chief Justice Archibald?

Mr. DOHERTY: Yes.

Mr. LEMIEUX: What more jurisdiction has he?

Mr. DOHERTY: He has no more, but I was going to say that the judge who issued the first order and all of us are to be congratulated that there should be an opportunity of having the question, upon which there is difference of opinion, adjudicated

upon by a judge who has not already pronounced himself upon that important question of jurisdiction. That is all I am going to say; I do not suggest that the Chief Justice has any more jurisdiction than any other judge. The question of jurisdiction does not arise because the judge is a judge of the Superior Court rather than a judge of some other court. The question of jurisdiction that arises is this: The Habeas Corpus Act is in express terms made inapplicable to people who are held under the sentence or judgment of a competent criminal court—and, indeed, to people who are held under the judgment of a civil court. The purpose of the writ of habeas corpus is to make sure that no man is detained without authority of law.

Mr. LEMIEUX: Without cause.

Mr. DOHERTY: Without authority of law; that is the one satisfactory cause for detaining a man. I do not know what Mr. Justice Archibald will decide, and I am not here to criticise the decision of Mr. Justice Duclos. But my own opinion, based upon the advice of men in whose competency I have the very highest confidence, is that Mr. Justice Duclos had no jurisdiction. However, his writ was obeyed.

Mr. LEMIEUX: The second writ.

Mr. DOHERTY: The writ that he maintained was obeyed. His second writ was obeyed to this extent: As I said I do not want to make confusion. I am not saying that the men were brought, but the warden made his return respectfully submitting to the court that because this man was held upon the sentence of a competent criminal court, he, the warden, felt it his duty to decline the jurisidiction. I want to say, just as bearing upon the possibility of there being any contempt in that, that if he was mistaken in doing that, he had behind him the judgment of the Supreme Court of Canada that if his facts were aright that was the proper return to make. After all, it would be an extreme interpretation of the doctrine of contempt to say that a man following the decision of the Supreme Court of Canada as to what he ought to do was guilty of contempt. However, that is for the courts to decide. That matter will be tried out before a proper tribunal. I would not be going into this at all, if it were not that I do think that the mis-apprehension that appears to exist not only as to people's intentions but as to what was done, is most prejudicial to the administration of justice in this country. I would like to add that in the judgment of the Supreme Court which I have just mentioned that is one of the results that is pointed out as being conclusive reasons why upon writ of habeas corpus, once it comes to the knowledge of the judge before whom the application for the writ is made that the man is there under judgment of a competent tribunal, he should stop. I am not going to introduce into the matter any question about the procedure of inferior tribunals. I express no opinion one way or the other upon that for the moment, because here we are not concerned with that. We are here concerned with the judgment of a Superior Court, the court especially charged with the administration of criminal justice in the province, and, as I say, in the judgment of the Supreme Court which I have mentioned, and of which I read an extract, this very creation of this regrettable situation is pointed out as one of the conclusive reasons in support of what is held to be the undoubted law, that under those circumstances when the judge has before him sufficient to show the man is in the penitentiary or in jail upon the judgment of a court of competent jurisdiction it is time for him to say "My hands are off. This is not a case where I can undertake to decide whether he ought to be there or not." I say that with all respect to Mr. Justice Duclos, the position the warden was in, was that he found himself in face of the orders of two courts, one telling him to do one thing, and another telling him to do another. He comes to the court that made the last of these orders and says "I submit that under the circumstances you have no jurisdiction, and I do that very respectfully." That will be argued and decided.

I recognize the importance of the liberty of the subject, but if hon. gentlemen give one moment's thought to what would be our position, to what is our position in this country, if every individual judge in the country has authority when he thinks there is an irregularity in the proceedings of another court to release from our penitentiaries and jails any man confined therein no matter how clear it is that he was sentenced to be there, they will see it would be impossible to properly enforce the law in this country. I say that with no disrespect. I am not suggesting that any judge would intentionally let a man out perversely, but if our system of law is such that the proceedings of all our criminal courts are subject to be set aside if there be found in the province or in the district any judge of a Superior Court who is of the opinion that

the proceeding taken to convey to the warden of the penitentiary the information that the man was convicted was not sufficient how will it be possible to enforce law into this country?

I do not know that I have dealt at greater length with this matter than could be avoided once the question is raised. I have made this explanation because, the question being raised, I felt that I owed it to my own consideration and respect for the authority of the courts and the administration of justice to make it as clear as I could that this matter does not involve, as I see it, any contempt of the court. Most assuredly it involves no intentional contempt of the court. It may be—it is not for me to decide—that the submission to the court of a question whether it had jurisdiction was contempt; it is not for me to decide.

I only want to add this: I have tried to explain the facts. I do not want to argue. Perhaps it is that what was done was wrong; if so, the courts will so decide. I think that what was done was right; if so, the courts will so decide. I do ask that hon. gentlemen exclude from their minds this conception that what was done involves a disregard of law and an indisposition to bow to the orders of the court. There is the fact, and this ought not to be lost sight of, that the Attorney General of the province has duties as well as rights. He has a responsibility for the performance of those duties, and if he be of opinion that this sentence has not been satisfied and that it is his duty, as charged with the administration of justice and the enforcement of the law, to see that that sentence is satisfied, whether he be right in his opinion or not, surely if he be of that opinion he was but doing his duty in taking the legal process to bring about the execution of that sentence. He had been told that one commitment had been issued which did not contain all the things that in the opinion of Mr. Justice Duclos ought to be in it, and therefore the court held that that way of bringing him in was irregular. And that he could not be held under that bringing of him in. Thereupon, if the Attorney General was convinced that it was his duty to see to the enforcement of that judgment, which still stood, and I would have shared that opinion, what course was open to him except to issue a new commitment, meet the objections that were made to the order that was issued by the court, and see that it was executed. Then, as has happened, there would be opportunities for the courts to decide whether he was right or wrong in doing what he did. What was his alternative? His alternative was to sit quietly back without exhausting the methods he believed to be open to him and say: "I am not concerned, I am willing to recognize that an avowed murderer—I do not know that these men are avowed murderers, but if it applies in this case it will apply in any case—the circumstances of the conviction have nothing to do with it." The alternative he had was to say: "It is a matter of pure indifference to me. I am willing to sit back and accept the situation that if a clerk leaves a line out in a commitment and the person committed is fortunate enough to get into the penitentiary under that commitment, with that line left out, the sentence of the court is gone forever. All his punishment is fulfilled, because somebody left out a line or two of the instrument, not the judgment, ordering the transportation to the penitentiary." That is the question to be decided, and the courts will decide it.

Mr. BUREAU: The impression has been created that the courts of our province are being overridden by certain authorities—I do not know who they are—and that judgments are not being respected.

Mr. DOHERTY: I have given you the facts. Surely I cannot deal with impressions if I do not know what the fact is upon which they are based. I take it that they are based upon misinformation.

Mr. BUREAU: Let me give you a straight statement of fact. These men were convicted and sentenced to the penitentiary. After they were in the penitentiary there was a writ of habeas corpus issued and they were released owing to irregularities. No judge interfered; nothing was done. They were taken afterwards, without any order of the court, the habeas corpus still being in force—that is, so far as the facts are known to the public, and no doubt it was in force,—and are thrown bodily back into the penitentiary. By virtue of what authority was that done?

Mr. DOHERTY: I have told you, by virtue of the authority of the Court of King's Bench. Let me give the hon. gentleman what is a perfectly analagous case with which we are all absolutely familiar. A judgment in a civil case is rendered. I take my execution and issue a writ of seizure. I go and seize the defendant's goods, an irregularity creeps in, and opposition is made. That opposition is maintained; it is

decided that the way I tried to execute my judgment was irregular, and it is quashed. Then what do I do? My judgment is still there.

Mr. LEMIEUX: The opposition is fought in the courts.

Mr. DOHERTY: Yes; and I take it that the first writ of habeas corpus was the opposition to the way of execution in this matter. It was decided that the way of execution was faulty.

Mr. LEMIEUX: It was not decided in this case.

Mr. DOHERTY: On the first writ of habeas corpus it was decided that the method of procedure of the officers of the court was irregular, and their proceeding was quashed just as my seizure was quashed in the hypothetical case I have given. So far, we agree, there is analogy. Now, with my seizure quashed I go back to the court but the court does not intervene at all by any action of the judge. I apply for a new writ of execution.

Mr. BUREAU: Certainly, a new writ.

Mr. DOHERTY: Yes; precisely what was done in this case, but this is what the hon. gentleman apparently will not stop to apprehend. A new commitment was issued.

Mr. BUREAU: The court was no longer sitting.

Mr. DOHERTY: It does not need the court to draw up a commitment. The commitment is the writ of execution which the officers of the court issue, and just as in my civil case, when I go for my second writ of execution I would not go to the judge but to the officer of the court, and say: "There is my unsatisfied judgment; will you give me another writ of execution, because last week or last month you gave me an irregular writ?"—so in this case it is the officer of the court on whom the responsibility rests.

Mr. LEMIEUX: The analogy does not hold good in the case of a criminal action.

Mr. DOHERTY: The hon. gentleman so affirms, and that is what the court will decide.

Mr. LEMIEUX: Well, it seems to me, and it is apparently the old British tradition too, that in criminal matters you cannot decide anything without the presence of the prisoner, either personally or by his representative. Now, these prisoners were absolutely free. They were released by writ of habeas corpus. Then the Attorney General or some one else, I do not know who, goes before the court, interviews the clerk, and gets another commitment. Where are the prisoners all that time? In the hands of your officers.

Mr. DOHERTY: With all respect, I do think that it is useless for me to try to bring conviction home to the hon. gentleman, because we understand this matter absolutely differently. As I understand it, the writ of habeas corpus ordered that the prisoners be released, and they were released. They were at liberty just as they were at liberty before the court sentenced them.

Mr. BUREAU: At liberty in jail.

Mr. DOHERTY: They were at liberty, with a judgment of the Court of King's Bench saying: "You ought to be in penitentiary; I condemn you to spend twenty-five years in penitentiary." Now, what responsibility is there upon this department in respect of that proceeding? I have stood by the Attorney General because in my opinion he is right. If he was mistaken there can be no responsibility on me; so why do hon. gentlemen bring this matter before this House and suggest that in some way blame is to be attached to the Department of Justice?

Mr. LEMIEUX: Who arrested the men?

Mr. DOHERTY: The officer of the court.

Mr. LEMIEUX: Of the Department of Justice.

Mr. DOHERTY: The officer of the department was used for the purpose of identifying the prisoner. I do not want to be misunderstood when I say that the responsibility for that proceeding is upon the Attorney General. That is undoubtedly true. It was for him to take the responsibility and he took it; and so far as responsibility may attach to me because I think he was right, I am perfectly frank to say that I do think he was right. Of course, when I say "I," hon. gentlemen will understand that it was not I personally who was supervising the proceeding, although I am prepared to take the responsibility for what the officers of the department did. And they, being convinced that the Attorney General was acting legally and properly—and as a matter of fact, I doubt whether they would have been entitled to act otherwise than they did, because it was for the Attorney General to assume the responsi-

bility—they did provide an officer to go down and identify the prisoner. The responsibility for that phase of the proceedings is clearly with the Attorney General. But in saying that I wish it to be understood that I shirk nothing. I never have shirked any responsibility in any event. I may have been wrong; I may be wrong this time; but the responsibility in this case is not with me. As custodians of the penitentiary the department in this matter is in a purely receptive position. The warden certainly had no jurisdiction whatever when they brought in the men the second time to refuse to receive them. Would hon. gentlemen suggest that the warden had a right to say: "That is not a good commitment; I won't take them in"? If we get to that stage we shall reverse everything. The warden took them in on the warrant based on the second commitment, and now he submits to the court the question whether he is bound to produce the prisoners; and we have the suggestion that some one is trying to make a rebellion against the court. I think it will be conceded that it was the duty of the Attorney General responsible for the administration of the law to take such steps as, in his judgment was open to him to prevent it being established that that was the condition of the law. If it should ultimately be decided by the courts that in taking the step he did take he was mistaken, I have no doubt we will have to accept the ultimate judgment of the court. That is one thing, but to say that we are to visit condemnation on the Attorney General because he took such steps as he thought were open to him in the enforcing of the law, leaving it to everybody else affected to take whatever steps they might believe were open to them to contest the matter in order that it might be finally decided by the courts is most unfair. I do say that it is most unfair to suggest that the Attorney General of the province is blameworthy in that regard.

Mr. BUREAU: If there is any blame it is on the Minister of Justice, and I will tell him why.

Mr. DOHERTY: I think that is sovereignly unjust and I do not think that my hon. friend, basing his opinion on a purely technical interpretation, will seriously say that there is any blame to be attributed to the Minister of Justice.

Mr. BUREAU: My hon. friend says that they are only a receiving agency at the penitentiary but I would remind him that they are also a detention agency. The warden is not in the Department of Justice. My hon. friend says that the first writ of habeas corpus was issued without jurisdiction.

Mr. DOHERTY: If I had been convinced that the second proceeding was entirely illegal in my judgment and opinion and that the first writ of habeas corpus was absolutely right I would have had no authority to have said to the warden "Let that man out." The Court of King's Bench had said to him by its legal process "Keep him in."

Mr. BUREAU: This unfortunate incident is due to the fact that the men went out on the first habeas corpus writ. If the warden had been instructed not to obey any orders served upon him without the decision of the court being taken and if he had withheld his hand until the matter had been submitted to the Department of Justice the whole thing would not have occurred.

Mr. DOHERTY: I certainly would reprimand any officer of my department whatever his opinion might be, who undertook to say to the warden: "Do not receive a man brought to you by a proper officer of the court with a commitment from that court. You, Mr. Warden, I, the deputy minister, or I, the Minister of Justice, am going to decide whether the proceedings of the court are regular or not."

Mr. BUREAU: I do not submit that case. I submit this: "Do not let them out under any paper unless I tell you the paper is valid."

Mr. DOHERTY: I quite concede that it was an error on the part of the warden not to take advice.

Some hon. MEMBERS: Carried.

The CHAIRMAN: I do not want to interrupt this debate because it is not relevant to the item under consideration. I do not think it is relevant. I find that there is another item providing for miscellaneous expenditure in connection with St. Vincent de Paul penitentiary and any amount which may be required to pay for any expense in connection with this question will undoubtedly come out of that item. But there is a greater and more important reason for the Chairman intervening and it is the well-known principle which is very clearly set forth in May's Parliamentary Procedure. In the course of the debate the Minister of

Justice has pointed out that this is a matter which will be brought before the courts on Monday of next week for decision and May, at page 223, says quite clearly that:

> All matters awaiting the jurisdiction of a court of law cannot be brought forward in debate.

Under that rule I must decide that any further discussion is out of order.

Some hon. MEMBERS: Carried, carried.

Mr. LEMIEUX: I take exception to your ruling, Mr. Chairman, in so far as my hon. friend the Minister of Justice has hinted that somebody wanted to create a sensation by bringing the case before this Parliament.

Mr. DOHERTY: If my words were susceptible of that meaning I want most absolutely to withdraw them. I had not the slightest idea of imputing to the hon. gentleman a motive of that kind. I had no idea of suggesting that in bringing this matter before the House the motive of my hon. friend had anything to do with creating a sensation. I do not remember the exact words that I used but what I had in my mind was the wrong impression that was created in the outside world by reading what had been reported by the newspapers. I did say that it seemed to me that amongst those who had given the information on the subject to the public there must have been a desire to put it in the most sensational way and thus create a sensation. If the hon. gentleman is under the impression that I meant to refer to him in any way I beg to assure him that I did not.

Some hon. MEMBERS: Carried, carried.

Mr. LEMIEUX: The words that were used by Mr. Justice Duclos the other day conveyed the idea of a sensation.

Mr. DOHERTY: Yes they were of that nature.

Mr. LEMIEUX: They are not mine, they are his, and he is one of the appointees of my hon. friend opposite. As regards the personality of the Attorney General and the Prime Minister I have a feeling of the very greatest friendship for Sir Lomer Gouin and the highest respect for the Attorney General of Quebec, but if ever my conscience tells me that an injustice has taken place in a case of law I will fail in my duty, no matter what the Attorney General of Quebec, Ontario or Nova Scotia thinks, in a case affecting the liberty of a subject, if I do not bring the facts, as I know them, to the attention of the Minister of Justice. I do not blame the Minister of Justice personally.

[The Chairman.]

Mr. BUREAU: I do.

Mr. LEMIEUX: I do not. I have my own idea as to the gentleman who engineered the whole thing. I have my idea—I shall not mention it. I do not blame the Minister of Justice, he may not be personally responsible. His responsibility is es-qualité. As regards the accuracy of the statement I have made I take issue with my hon. friend. My hon. friend inferred that I was not quite accurate in my statement. I may not have used the proper expression when I said that this officer had been found guilty or had been condemned by the court, but the only distinction to be made is that a rule nisi was issued against him which means in the last resort a judgment against him for contempt of court. Therefore in so far as that is concerned, I was absolutely accurate. As to the sum total of the argument, am I not right in bringing this matter before Parliament? My hon. friend has come exactly where I wanted him to come where every friend of justice wanted him to come; that is, he proposes to have this matter settled by the court and not by the warden of the penitentiary who may be given orders by an outside party thus ignoring the judgment of the court. My hon. friend says the case is going before the courts on Monday.

An hon. MEMBER: Carried.

Mr. LEMIEUX: Who says "Carried"? Does any one say "carried"?

An hon. MEMBER: Yes.

Mr. LEMIEUX: The liberty of the subject does not affect hon. members?

Mr. McISAAC: I rise to a point of order. The Chairman has ruled that this is out of order.

Mr. LEMIEUX: I am surprised that a Scotchman is against the liberty of a subject. The hon. member is the first Scotchman I have know who supports the high-handed authority of an officer of the Crown in ignoring the judgment of the court when the liberty of the subject is at stake. At all events I want to say this, in all friendship to the Minister of Justice: I am satisfied with his explanation in so far as he states that on Monday, before the Assistant Chief Justice in the province of Quebec—Mr. Justice Archibald—the whole question will be settled.

Mr. DENIS: This is perhaps the only opportunity I shall have to ask the minister if he intends bringing in a Bill this session to increase the salaries of the judges of the Superior Court, and others, in the province of Quebec, and also whether the nomination of new judges will be made to the King's Bench in order to give effect to the law which was passed last year and which is now on the Statute Book, namely, Chapter 76 of 9 King George V.

Mr. DOHERTY: I am not in a position to say absolutely what will take place. The spirit indeed is willing but there are many circumstances to be taken into consideration.

Mr. PROULX: Funds are lacking.

Mr. DENIS: As this is the opportunity for one to express his opinion I will take the liberty of expressing mine, and my opinion is that the best men in the country should be selected as judges.

Mr. BUREAU: That bars me out.

Mr. DOHERTY: The hon. member should not spring such an awful suggestion.

Mr. DENIS: I do not think my suggestion is altogether out of place. However, I do not want to dwell unduly on this point, as it is a matter for the decision of the Government. But there is another feature of the question which is in the hands of Parliament, and that is the salary which is paid to judges. Once the advice is given to appoint the best men in the country to these high judicial positions, then as a consequence, we must see that they are adequately paid.

Mr. BUREAU: Give them the best pay; that is logical.

Mr. DENIS: Yes, give them the best pay. I contend that at present our judges are not sufficiently paid. In order to make myself perfectly clear on the first point, I should say that I am not by any means insinuating that the nominations made in the past were not proper nominations. I do maintain, however, that we should begin by making good nominations and supplement that by paying a good salary, an adequate salary. The salaries of our judges have not been increased for, I would not dare to say what number of years.

Mr. DOHERTY: Not for fifteen years, I think.

Mr. DENIS: Not for fifteen years? Well, when the salaries of the judges have not been increased for the last fifteen years the fact speaks for itself, and one need not go any further. We all know—it has been said a hundred times in this House—that it costs at least a hundred per cent more to live to-day than it did fifteen years ago. Consequently according to that scale the judges who are to-day receiving $7,000 a year should be paid $14,000. Perhaps I should not go that far, but certainly there is room for improvement and therefore the salaries of the judges should be increased. Now, as to the nomination of further judges I entertain the hope that the present session will not pass without these new appointments being made to the Court of King's Bench, because this question is very important to the province of Quebec. I need not dilate further upon the matter, because the Minister of Justice is perfectly well aware of the facts.

Mr. NESBITT: I would like to add my voice to that of the hon. member who has just taken his seat and to urge the augmentation of the salaries of the Supreme Court judges. I understand that these salaries have been the same for fifteen years. Well, they were too low to start with, and they are very much more inadequate now owing to the increase in the cost of living that we hear so much about. This country has grown in importance very materially in the last fifteen years. Therefore the remuneration paid to the Chief Justice and the other judges of the Supreme Court—which a great many people would like to see made a court of last resort in this country—is simply absurd. The salaries which they receive are not at all in accordance with the dignity of their positions and, I understand, are totally inadequate, because we must remember that the gentlemen who occupy those distinguished positions must live in a manner befitting their rank. I perhaps could live on half the amount that they receive because I do not have to maintain anything like the same status that a judge in the Supreme Court is obliged to maintain. We must also remember that if the present judges were to vacate their positions, owing to death or other reasons it is doubtful whether qualified men could be got to fill the positions at the salaries now paid. I think those salaries should be materially increased so as to give the Chief Justice at least $15,000, and the other judges at least $12,000 per annum. I do not know that I am an advocate of the views of those who want to make the Supreme Court a court of last resort in Canada, because as long as we are connected with Great Britain I think we

should avail ourselves of the Judicial Committee of the Privy Council. If, however, the Supreme Court of Canada ever comes to be the court of last resort better salaries will have to be paid in order to attract men of the very highest type to that court. I urge, and urge very strongly, that the salaries of the Supreme Court judges be raised immediately to a reasonable basis, and that these judges be allowed a salary sufficient to enable them to live in accordance with the dignity of their position and of the importance of the country which they represent. Until recently the judges of the Supreme Court of the United States were practically in the same position as our own —if not even worse—with respect to the stipends they enjoyed; but I believe there has been an improvement in that respect owing no doubt to the fact that the Supreme Court of the adjoining Republic has come to be regarded as one of the great courts of the world. In Canada, as we increase in population and in importance, we should recognize the fact that the Supreme Court is virtually the court of final appeal so far as we are concerned, and should raise the salaries of the judges to a figure more in accordance with their high dignity and status. We should do that and do it at once.

Mr. BUREAU: May I be permitted to supplement the remarks that have fallen from the hon. members who have preceded me. The Supreme Court of Canada is regarded as the highest tribunal in the land, but I have heard that title applied to this Parliament. If we are going to increase the salaries of the judges of the Supreme Court I take advantage of the circumstance that the Prime Minister (Sir Robert Borden) is now in his seat to urge upon him that the salaries of the judges of this higher court should also be increased. To make my point clear beyond the possibility of doubt and in order not to leave any ambiguity—because people have been afraid to talk about it—I for one declare that in my opinion the indemnity paid to the members of this Parliament should be increased.

Mr. PROULX: The judges of this country are as patriotic as are the members of Parliament, and I think are willing to consider the financial condition of the country and to wait for an increase in their salaries.

Some hon. MEMBERS: No.

Mr. PROULX: I admit that the hon. member for Three Rivers (Mr. Bureau) may be right in his view that, considering the increase in the cost of living, the indemnity paid to members may not be as adequate as it was some years ago. But, Mr. Chairman, we must make a sacrifice. The soldiers that we sent overseas made great sacrifices during the war. They fought for this country for $1.10 a day. Now they are asking for a bonus, and we think that the financial condition of the country does not justify Parliament in giving them that bonus. How would it look if the members of this House should vote themselves an increase of $1,500 in their indemnity?

Mr. BUREAU: It would look all right.

Mr. PROULX: Or even to increase the salaries of the judges?

Mr. BUREAU: We have some self-respect.

Mr. PROULX: The judges are getting very good salaries considering the salaries that are paid to the Civil Service and the indemnities which senators and members of the House of Commons receive. They are in a better position than we are because they get a generous retiring allowance. We have in the province of Ontario retired judges who are receiving their full salary of $7,000—and they are not doing nothing. For instance, I know one of these retired gentlemen who is manager of a big financial corporation and is perhaps getting a salary larger than his retiring allowance. Such cases may be exceptions, I admit, but still the retiring allowances should be taken into consideration when we speak of judges' salaries. My hon. friend said that these salaries had not been increased for fifteen years. I remember that last year the salaries of county court judges were increased by $1,000.

Mr. BUREAU: They are talking of the Supreme Court judges.

Mr. PROULX: That was treated as a case of urgency. The salaries of the judges of the Superior Courts of Nova Scotia, New Brunswick and of the western provinces were increased. There are no judges of the Supreme Court, except those in Quebec, in receipt of less than $7,000 a year.

Mr. BUREAU: There are none in Quebec.

Mr. PROULX: I know that in Ontario they receive $7,000 a year from the Dominion and another $1,000 from the province, giving them a total salary of $8,000.

Shortly before the session opened, Mr Chairman, the newspapers published an-

nouncements to the effect that increased salaries would be given to the judges, and that the indemnities of members of Parliament would also be increased. I think that the press has maligned hon. members to a certain extent in trying to make them appear in the eyes of the public as "grabbers."

Mr. BUREAU: The public do not believe it.

Mr. PROULX: A few members may have agitated for an increased indemnity, but I think the large majority have been patriotic enough not to seek an increase at this time. But, although the judges have met and have sent deputations to interview the Government for an increase in their salaries, the press has had never a word to say about the greed of the judges. I am sure that my right hon. friend the Prime Minister would be disposed to render substantial justice to hon. members if the financial condition of the country would warrant it, but under the circumstances I am confident that he will be firm and courageous enough to do like the sturdy premier of the province of Ontario and refuse any increase in the indemnity.

Mr. GAUVREAU: You ought to be ashamed of yourself.

Mr. PROULX: No, I am not. As I said at the beginning of my remarks, if 500,000 or 600,000 young men were sufficiently patriotic to sacrifice their lives, if necessary, for this country, I think we should be imbued with their spirit in such measure that we will be content to serve our country without any increased indemnity during this time of reconstruction which may be just as important as the war period. I am not permitted to discuss the report which was presented to the House yesterday by the chairman of the Pensions Committee, but speaking of the report which was made to the House last year, we refused, and I think rightly refused because of the financial condition of the country, to grant pensions to the soldiers, although we provided for more generous grants to the disabled class, and I understand that this session a proposal will be made to increase those grants. I believe that the press has largely exaggerated the action of hon. members for an increased indemnity—

Mr. GAUVREAU: Order.

Mr. PROULX: I do not think I heard more than half a dozen members on this side of the House ask for an increased indemnity.

The CHAIRMAN: Order. I must direct the hon. member's attention to the fact that the subject of increased indemnities to hon. members is not before the House and has nothing to do with these Estimates.

Mr. PROULX: I will conclude by repeating that I think the judges are as patriotic as hon. members, and, that being so, I think they will be content to wait a few years before asking for any further salary increases.

Mr. CRERAR: I wish to briefly support the position taken by the hon. member for North Oxford (Mr. Nesbitt) in respect to judges' salaries. This matter has been under discussion for some time, and so far as my knowledge goes representations have been made to the Government asking for substantial increases in the salaries of the judges not only of the Supreme Court of Canada but of the higher courts in the various provinces. I wish to place myself as strongly in favour of an increase in these salaries. If we are to have justice administered in this country as we all want to see it administered we must have in our judiciary men not only of high character but also of high legal attainments, and to-day men of such attainments are certainly able to earn vastly more in the practice of their profession than they can on the Bench. That is not a desirable state of affairs. I have made inquiries as to the salaries of judges in other parts of the Empire, and I find that in all cases they are from 30 to one hundred per cent higher than the salaries we pay. I repeat that that is not a desirable state of affairs to have in this country, and I would therefore urge upon the Minister of Justice that he make provision, not at a future session but at the present session, for an increase in the salaries of the Supreme Court judges and of the judges in the higher courts of our various provinces.

Mr. McQUARRIE: I agree with what has been said by the hon. member for Marquette (Mr. Crerar). I think it is a disgrace that we pay our judges such low salaries. I refer not only to the salaries paid to the judges of the Supreme Court of Canada, but to the judges of the Supreme Courts in the provinces. The Supreme Court of Canada, as being the highest court in this country, and a court of last resort in many cases, is a court of such importance that this country should pay more than $10,000 to the Chief Justice and $9,000 to his associate judges. The hon. member (Mr. Proulx) would give the committee to understand

that the judges are satisfied with the salaries they are receiving.

Mr. PROULX: Some are, but I believe some are not. Most of them are.

Mr. McQUARRIE: I take issue with my hon. friend. Some time during the session a delegation of judges, with members of the Canadian Bar Association, waited upon the Government and pressed very strongly their claim for more adequate salaries. So far as I am aware the judges are almost unanimous in their contention that they are entitled to receive more than they are receiving, and in that view I absolutely concur. I would direct particular attention to the case of the Prince Edward Island judges, who have been discriminated against. The Chief Justice of Prince Edward Island receives only $6,500; the Master of the Rolls and Vice-Chancellor, $5,500 each. I see no reason why these judges should have been singled out in this way or why they should not receive the same salaries that are paid to other judges of the Supreme Court in the other provinces. I know that the judges of Prince Edward Island feel this discrimination very keenly; no doubt the leader of the Opposition (Mr. Mackenzie King) will bear me out in that. I desire to urge very strongly upon the Government particularly upon the Minister of Justice the necessity for clearing this situation up, not at some other session, but right now. The judges of the Supreme Court of Prince Edward Island should be placed in exactly the same position as judges of the Supreme Court in other provinces.

Mr. BUREAU: I desire with the consent of the committee to offer a word of explanation. I said just now that I thought the indemnity ought to be increased. My friend from Prescott (Mr. Proulx) said that there were a few members patriotic enough not to ask for the increase, from which the inference is to be drawn that those who do ask for it are unpatriotic—I use the word "patriotic" in the sense in which my hon. friend used it. One of the members who is against an increased indemnity said to me: "If I did not think that I would get licked in my riding I would be with you; but if I am with you I shall be beaten; therefore I am against you."

Mr. PROULX: I resent that imputation. My hon. friend's remark would indicate that I held that view. I never said anything of the kind.

[Mr. McQuarrie.]

Mr. BUREAU: If the cap fits wear it.

Mr. PROULX: I said that the large majority of the members were patriotic enough not to ask for increased indemnity. I said I had heard of only about half a dozen members who were insisting on having an increased indemnity, and that these hon. members should be as patriotic as the others; that they should not ask for an increase and should not expect it.

Mr. SINCLAIR (Queens, P.E.I.): Mr. Chairman, I should like to say a word in support of the remarks made by my hon. friend (Mr. McQuarrie). Last year when the amendment to the Judges Act was being put through I had the privilege of referring to this matter and of pointing out to the Acting Minister of Justice at that time the discrimination that was being made in the case of the salaries allotted to the judges of the Supreme Court of Prince Edward Island. The Minister of Justice and the Prime Minister were not here then and I simply wish again to direct attention to the unfairness of giving to the judges of the Supreme Court of Prince Edward Island a lower salary than that paid to the judges of the Supreme Court in other provinces. These judges in Prince Edward Island are doing the work well; their time is fully occupied and the dignity of the position must be kept up in Prince Edward Island just as in any other province. I hope that the Government will take notice of the discrimination that unhappily crept into the legislation of last year and have a remedy effected at the earliest possible moment.

6 p.m.

Salary of purchasing agent, $3,500.

Mr. CAHILL: How was this purchasing agent appointed? Is he a new man?

Mr. DOHERTY: No, he has been in the department as purchasing agent for eight or nine years. In the past he was attached to the Penitentiary Branch, but about a year ago it was thought better to make him an officer of the department in general, in order that he might make the purchases for the Dominion Police as well as any other purchases that had to be made. This is an apparent increase in the general expenses of the Department, but a corresponding decrease will be found in the Penitentiary Estimates.

Mr. SINCLAIR (Guysborough): Is it the intention of the Government to maintain a purchasing agent in each depart-

ment and also the Purchasing Commission for general purposes?

Mr. DOHERTY: That is a matter which, of course, does not belong to myself as minister of this particular department. But there is before the House a resolution dealing with the subject of the Purchasing Commission, which is an indication, at all events that the matter is receiving consideration.

Printing, binding and distributing Supreme Court Reports, $4,500.

Mr. CAHILL: This seems to be a new item. Will the minister give some explanation of it?

Mr. DOHERTY: It has been found—and the officers of the Supreme Court are strongly of the opinion—that it would be more advantageous that we should ourselves do the printing of the Supreme Court Reports, dispose of the volumes and receive payment for them, rather than have the printing and publication done by an outside firm, which firm, of course, would sell the volumes and receive the price.

Dorchester penitentiary, $156,800.

Mr. DUFF: What is the reason for this increase?

Mr. DOHERTY: We have an estimated increase in salaries and retiring allowances of $6,000. Owing to the overcrowding at Kingston penitentiary it was found necessary to open a female prison at Dorchester. The salaries of two matrons have to be provided and salaries of three additional officers. There is an estimated increase of $1,000 in the uniform of officers and mess expenses. This is made necessary on account of the large increase in the cost of uniforms, boots, and food stuffs. There is an estimated increase of $7,000 in the cost of maintenance of convicts for similar reasons; an estimated increase of $3,000 to cover the purchase of additional steers for fattening purposes in connection with the agricultural operations of the penitentiary, and an estimated increase of $21,000 for lands building and equipment and the construction of the new cell wing begun in 1917 and equipment for same.

Mr. DUFF: Who is the warden of that institution?

Mr. DOHERTY: At present there is a vacancy in the wardenship of the Dorchester penitentiary, Mr. Pipes having retired. The matter is going through the machinery of the Civil Service Commission, who, we trust, will in time turn out for us a fully fledged warden.

Mr. DUFF: How long has it been in the grinding?

Mr. DOHERTY: Quite a long while. Sometimes the mills of the gods grind slowly, but they grind exceedingly fine.

Alberta penitentiary, $50,000.

Mr. WHITE (Victoria): Was there any reason for dismantling and doing away with the Alberta penitentiary? I have had many inquiries in regard to the matter. I put some questions on the Order Paper about this penitentiary and got some information. This penitentiary was considered a necessity a few years ago, and I do not think business fell off as compared with the other penitentiaries, those of Saskatchewan and Manitoba. There would be about as many prisoners held in Alberta as in either of the other two provinces and the cost would be about the same. Would the minister tell us why it was dismantled?

Mr. DOHERTY: The answer is very simple. While I am not prepared to say that there was a special falling off among the convicts in Alberta—the province still seems to be doing its duty in that regard—on looking into the matter we found that in three penitentiaries we had a number of convicts who could perfectly as well be dealt with in two. So we moved the convicts out of one penitentiary and distributed them between the other two. We expect by so doing to effect at the start an economy of $40,000 or $50,000 per annum, and that in the future that will be greater. In penitentiaries, as in other business, there are overhead expenses, and when you can reduce your overhead you reduce the expense of maintaining each convict. If we can relieve ourselves of maintaining a separate penitentiary, with a separate staff of officers and all that goes with it, to say nothing of the interest on the money invested in the property, I think the hon. gentleman would commend our action as being good business. It is nothing invidious to the province of Alberta at all, but as we found we could do with two establishments what we were doing with three, we thought we ought to effect that economy.

Mr. WHITE (Victoria): The minister will understand that the people of Alberta are not desirous, of course, of keeping an institution like a penitentiary going full blast. Were any representations made by the province or the city of Edmonton that this peni-

tentiary should be dismantled and done away with?

Mr. DOHERTY: We had no representations that it should be dismantled or done away with. We have had representations from the city of Edmonton at different times that it was undesirable from the city's viewpoint that a penitentiary should be maintained on that site right in the centre of the city. That was a factor in our decision. It was objectionable from the city's point of view to have a penitentiary on that particular site, and I think the reasons why it should be looked upon as objectionable are sufficiently obvious. From our point of view also, I did consider and the officers of the penitentiary have always entertained very strongly the opinion that the centre of a big city was not a suitable place for a penitentiary from the point of view of the proper administration of the penitentiary itself. That was perhaps a very considerable factor in our selecting the Alberta penitentiary as the penitentiary to close when we came to the conclusion that two were sufficient. There was also the factor that there is a very valuable property there and we hope that, properly dealt with, it may produce a very fair sum of money.

Mr. WHITE (Victoria): The minister will admit, I think, that the site, although it might be undesirable from the point of view of the citizens of Edmonton, had many advantages in the matter of prison labour. For instance, there was a very valuable coal mine under the ground owned by the penitentiary. We all know that prisoners can be handled under ground, and from the point of view of prison labour the Alberta penitentiary was perhaps more favourably situated than either of the others in Manitoba and Saskatchewan. When the site was purchased, it was considered a desirable location because they could handle prison labour there at some profit. I know that the property is very near the centre of the city, and that it has interfered with the opening of the streets and things like that. How does the Minister intend disposing of the property?

Mr. DOHERTY: No final conclusion has been come to as to the precise manner of disposing of it. We want to dispose of it to the best advantage, and at the present time I am having a valuation made of the property, both of the surface rights and the mining rights, which have a very substantial value of their own. The gentleman who is making this valuation is represented to me to be highly competent. He is absolutely unconnected with the institution and is in a position to be absolutely unaffected by any local considerations. We are awaiting his report. Different recommendations have been made as to the method of disposing of the property. The city itself has made several proposals looking to the acquisition of the property. It has been suggested that we should sell it by auction. Different plans have been recommended, and as a preliminary I felt I ought to have what I could look upon as a reliable report on the value of the property I was dealing with. When we have that we shall endeavour to dispose of the property in what may appear to be the most advantageous way.

Mr. WHITE (Victoria, Alta.): The statement was current at the time that the department had made an offer to the city of Edmonton that they would hand over that property to the city at initial cost to the department. I heard a rumour to that effect myself, and I have had some correspondence on the subject. However, there is no criticism to offer if the department lost nothing by the arrangement. If the department lost nothing and some benefit accrued to the city there would be no injury to the public. Another complaint that I have heard is the fact that the department decided rather suddenly to dismantle this building. In the public mind there was an impression that the decision was arrived at rather too suddenly and that some explanation was necessary. Last year when we were asked to vote the Estimates the Government made no statement that in the near future they would do away with this institution, and that is what I had reference to when I asked what representations had been made to the Government that impelled them to come to what appeared to be a precipitate conclusion.

Mr. DOHERTY: I cannot speak positively, but if the hon. gentleman will refer to the penitentiary reports of past years he will see that the suggestion was made in the past that we could advantageously do with a smaller number of penitentiaries. I had that view myself for quite a time, and I did not realize that there was anything very sudden about our conclusion. I had discussed the matter with the superintendent off and on for several months, but the real question we had to decide was which one of the two penitentiaries, taking it all round, it would be most advantageous to dispense with. For the reasons I mentioned

a few moments ago we decided, in view of all the circumstances, to dispense with that at Alberta. The hon. member spoke about the advantage of the mining industry. No doubt there was an advantage in the way of employment of men; but at Fort Saskatchewan we have a large farming property which we have recently enlarged in view of the change, and the opinion is entertained that where it is possible to utilize the convicts in agricultural work it is desirable for them to be so employed. I may add that from that farm we have had very substantial results in the way of production.

Mr. WHITE (Victoria): Not any more than from the coal.

Mr. DOHERTY: I do not think we ever realized any considerable sum from the coal. We did use it at the penitentiary and also to supply other penitentiaries.

Mr. WHITE: There was never any sold?

Mr. DOHERTY: I do not think there was ever any sold to outside people.

Mr. WHITE: I know that it is one of the best mines, and there is a possibility of large business being developed. Before the acquisition by the department it was considered one of the best mines.

Mr. DOHERTY: We are hopeful that the mining rights will produce substantial results.

Mr. BUREAU: Looking at the question from the business standpoint, and taking into consideration overhead charges, I think the matter of fuel is one of great importance, and as between Prince Albert and Edmonton, using the convicts to mine the coal and ship it down the river to Prince Albert or send it by train, you could supply all the penitentiaries in that district with coal from Edmonton.

Mr. DOHERTY: We put that proposition to the test, and found that it cost as much money to get the coal and send it to the penitentiaries, with one exception, as we could buy the coal right there at Stony Mountain. The cost of transportation, when the coal reached the Manitoba penitentiary, brought the price up to if not more than that which we could get the coal for at Stony Mountain. It was a losing undertaking.

Mr. BUREAU: That is with the price of coal as it was years ago; but with the increase in the price, I think the minister would find to-day that he could get his coal from Edmonton to Stony Mountain cheaper.

Mr. DOHERTY: That is the experience of last fall.

Pensions—Mrs. J. A. Richards, $756.

Mr. DOHERTY: If I mistake not, that item has already been passed for last year in the Supplementary Estimates. This is the same annual payment for this year.

Mr. LEMIEUX: Does the minister intend to take up the other pensions?

Mr. DOHERTY: They are not in my department.

Mr. LEMIEUX: We might take them up.

Pensions payable to Mounted Police, Prince Albert Volunteers and Police Scouts on account of the Rebellion of 1895, $1,199.03.

Mr. LEMIEUX: I see that the Nile Voyageurs are agitating to obtain some recognition from the Government. Has my right hon. friend (Sir Robert Borden) any information on the subject?

Sir ROBERT BORDEN: I do not remember any agitation at all, although there may have been. Certainly there has been none in the past year.

Expenses of litigated matters connected with the Department of Justice $13,000.

Mr. LEMIEUX: Does that effect all those cases in the various provinces where the Minister of Justice has brought the matter before the courts?

Mr. DOHERTY: This is the expense connected with litigation that is carried on by the department itself.

Expenses under the Pecuniary Claims Convention with the United States $5,000.

Mr. LEMIEUX: What is being done with this Convention? It was started before the war and the war, I suppose, prevented the sittings from being held. I understand that Canada was represented on that board by the then Chief Justice of the Supreme Court of Canada. Has any one been appointed to replace the Chief Justice and are the cases being proceeded with?

Sir ROBERT BORDEN: There has been no one appointed in place of the late Chief Justice. The proceedings have not been going on. There was an endeavour about fifteen months ago to have the members of the tribunal meet for the purpose of giving judgment on some matters which had been heard but in which no decision has been announced. On account of Mr. Fromageot's engagements in Paris and on account

of those of the late Chief Justice, it was not possible to arrange a meeting at that time. It was finally proposed that Mr. Fromageot should come to this country at a latter date and if arrangements could be made with the American Commissioners it was felt desirable that in the early future there should be a meeting.

Mr. DOHERTY: I have been recently given to understand that Mr. Fromageot would render the judgments in the cases which have been heard and the Commission was unaminous, and that in regard to others, where there might be a division of opinion, the other members of the tribunal would send in, in writing and put on record simultaneously such observations as they had to make.

Mr. LEMIEUX: Have you any idea how many cases are left unsettled?

Sir ROBERT BORDEN: I have not that information but I can find out.

Cost of proceedings before the International Joint Commission $5,000.

Mr. DOHERTY: This is to provide a fund out of which such legal proceedings as may be taken before the International Joint Commission in the course of the year may be paid

Civil Government—Supreme Court of Canada—to provide for the salary of one clerk in First Division, sub-division B—further amount required $25.

Mr. MACKENZIE KING: Who is the particular clerk referred to?

Mr. DOHERTY: That is for Mr. Burns, librarian of the Supreme Court. It seems that in the Main Estimates his annual statutory increase was overlooked.

Penitentiaries—further amounts required. $55,120.

Mr. MACKENZIE KING: Would the minister make an explanation?

Mr. DOHERTY: The present population has very largely increased and therefore our estimate for the maintenance of convicts, among other things, proved inadequate.

Mr. LEMIEUX: Does my hon. friend say that the number of convicts have increased?

Mr. DOHERTY: Yes.

Customs—Salaries and contingent expenses of the several ports in the Dominion, including (notwithstanding anything in the Civil Service Act), pay for overtime of officers, and temporary Customs buildings and rentals—$4,250,000.

[Sir Robert Borden.]

Mr. BURRELL: The increase in salaries both in the Customs and Inland Revenue Departments is entirely owing to the statutory increases because there are a very large number of employees in the outside service.

Mr. LEMIEUX: Are they all appointed by the Civil Service Commission?

Mr. BURRELL: Yes.

Mr. LEMIEUX: In the summer months at ports like Montreal, for example, and I suppose at Toronto and elsewhere, a number of tide waiters are appointed. Are they appointed by the Civil Service Commission?

Mr. BURRELL: All of them are appointed by the Civil Service Commission.

Mr. BUREAU: If that is the case what is the meaning of the words in the item "notwithstanding anything in the Civil Service Act"?

Mr. BURRELL: Speaking offhand I think that has to deal with the matter of overtime of customs employees at certain ports. In such cases they have to go on special duty and cannot be paid for that overtime under the ordinary statute. I think this has always been the custom in the case of a certain class of employees namely, landing waiters.

Mr. BUREAU: Does that apply to anything else in the item we are voting?

Mr. BURRELL: It is almost entirely confined to the special item of overtime.

Mr. BUREAU: My contention is that you can brush aside the Civil Service Commission with respect to any item which is included in this vote. Am I right in that?

Mr. BURRELL: Speaking from memory —although I am pretty sure of the fact— I think it only applies to those men in the service for whom we have to make this provision.

Mr. COPP: Has the minister before him a statement showing the different buildings that are rented for carrying on of custom house business in places where we have no special building of our own? If he has, I would like to know what rental is paid for such purpose in the town of Sackville, N.B.?

Mr. BURRELL: I am afraid I cannot give my hon. friend that information. That is a matter which is dealt with entirely by the Public Works Department, and would therefore come under their Estimates.

Mr. COPP: Then why does the item appear here, "Temporary customs buildings and rental"? What rental does that refer to?

Mr. BURRELL: We pay rents for certain smaller places. I understand however that the whole matter is under the supervision of the Public Works Department.

Mr. COPP: I would like to get the rental paid in the town of Sackville, N.B.

Mr. BURRELL: I will try to get that information for my hon. friend in a moment.

Mr. LEMIEUX: I have received letters from some merchants in Montreal who have complained that when they asked for forms in French at the customs house, or at the Customs Department, they did not receive them. I would like to ask my hon. friend to give the necessary orders so that when blank forms in the French language are asked for by the merchants of Montreal or elsewhere, they will be sent.

Mr. BURRELL: I understand that a good many such forms are printed. However, I will make a note of what my hon. friend says.

Before the item is carried I would like to put on record—because it may be of interest to members—a statement of the collections, and expenditures and percentage of the cost of collection because in a sense perhaps—altogether dependent on how one looks at these matters—it is a pretty gratifying statement. We have amalgamated the Departments of Inland Revenue and Customs and I am glad to say that we are operating one department with a somewhat less number of officers than we had before, have collected in both departments the greatest amount of revenue on record, and have reduced the cost of collection to the lowest point since 1894. The customs collections for last year were $187,631,000, the expenditure was $4,669,000 and the cost of collection was 2.48 which is the lowest point in the whole series of years since 1894 when we began at 5.3. In the Inland Revenue Department the collections were $58,000,000 and the cost of collection 2.79.

Mr. LEMIEUX: Can you give the collections for both customs and inland revenue at the port of Montreal?

Mr. BURRELL: For the Inland Revenue Department they amounted to roughly $27,000,000; and customs, $47,921,000.

Mr. LEMIEUX: Will you give the collection for Toronto now?

Mr. BURRELL: Inland revenue, $42,949,000; customs, $13,000,000. With respect to the information asked for a moment ago by the hon. member for Westmorland (Mr. Copp), I am sorry I cannot give it at present but I will obtain it for the hon. gentleman.

Excise—$1,403,108.25.

Mr. BURRELL: The increase in the vote for stamps, etc., is necessitated by the extraordinary increase of the various articles requiring stamps, especially tobacco, which has grown enormously this year, and apparently will continue to do so.

Progress reported.

## PRIVATE BILLS.

### COLONIAL INVESTMENT AND LOAN COMPANY ACT.

House in committee on Bill No. 179 (from the Senate) respecting the Colonial Investment and Loan Company.—Mr. Mowat. Mr. Boivin in the Chair.

M. LEMIEUX: Who is fathering this Bill through the House?

The CHAIRMAN: Mr. Mowat.

Mr. LEMIEUX: He is not present.

Mr. NESBITT: In his absence I will try to tell the hon. member anything he wants to know about this Bill.

Mr. LEMIEUX: In view of what has happened to the poor investor in a similar company in British Columbia, I would like to know if the precautions have been taken in the present Bill to protect the public.

Mr. NESBITT: This is simply a matter of reducing the capital stock of the company. They had to pay holders of capital stock par value—they have to get the consent of two-thirds of the stockholders, and also the consent of the Minister of Finance, before they can do anything.

Mr. VIEN: What prompted the reduction in these days of increased capitalization?

Mr. NESBITT: There is not now an outlet for the capital in the West that there formerly was, and as they could not earn dividends on it, they proposed to pay it back to their shareholders.

Bill reported, and read the third time, and passed.

WESTERN ASSURANCE COMPANY.

House in Committee on Bill No. 116 (from the Senate) to amend and consolidate the Act respecting the Western Assurance Company.—Mr. Mowat.—Mr. Boivin in the Chair.

Mr. VIEN: Has the Finance Minister taken full cognizance of all the clauses of this and the other private Bills concerning the Colonial Investment and Loan, the Great West Bank, and the British America Assurance?

Mr. NESBITT: Yes, he has.

Mr. VIEN: And he is satisfied?

Mr. NESBITT: Yes. That is the report of the committee, anyway.

Mr. VIEN: These Bills were studied in the Committee on Banking and Insurance?

Mr. NESBITT: They were very much studied, and the Minister of Finance recommended their passing.

Mr. VIEN: All right.

Bill reported, and read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill No. 181 (from the Senate), to incorporate The Great West Bank of Canada.—Mr. Cowan.

Bill No. 122 (from the Senate), to amend and consolidate the Acts respecting The British America Assurance Company.—Mr. Cronyn.

Bill No. 170 (from the Senate), for the relief of Ellen Holmes Austin.—Mr. Mowat.

Bill No. 171 (from the Senate), for the relief of Ethelbert Gilmour Harris. Mr. Arthurs.

Bill No. 172 (from the Senate), for the relief of Albert Ernest Wice.—Mr. Boys.

Bill No. 173 (from the Senate), for the relief of Peter Sutherland Cowie.—Mr. Mowat.

Bill No. 174 (from the Senate), for the relief of Roy Bradley.—Mr. MacNutt.

Bill No. 175 (from the Senate), for the relief of Joan Doran.—Mr. Mowat.

Bill No. 176 (from the Senate), for the relief of Alexander Ross, Junior.—Mr. Mowat.

Bill No. 177 (from the Senate), for the relief of Jean Mary Sandiford.—Mr. Porter.

Bill No. 164 (from the Senate), for the relief of John Durose.—Sir Sam Hughes.

On motion of Hon. Mr. Burrell the House adjourned at 7.05 p.m.

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## Monday, June 21, 1920.

The House met at Two o'clock.

CANADA-WEST INDIAN CONFERENCE.

DATE OF PUBLICATION OF AGREEMENT ARRIVED AT.

On the Orders of the Day:

Mr. J. J. DENIS (Joliette): We are informed through the press of this country that the labours of the Canada-West Indian Conference have come to a close but that the text of the agreement will not be made public until August 4. Is it not the intention of the Government to make a statement to the House before the end of the present session regarding the work of this conference and the decisions that have been arrived at?

Rt. Hon. Sir GEORGE FOSTER (Minister of Trade and Commerce): I may inform my hon. friend that it is not the intention of the Government to make public before the date set, the details of the arrangements that have been made. The date which was set will enable the delegates from the West Indian colonies to arrive at their homes and present their reports to their respective governments. August 4 has been agreed upon as providing ample time for that purpose, and this is the practice that has always obtained in such cases. An official statement was made to the press, and before the House rises I shall be able to make a statement as full as that, if not more complete, to the House itself.

GRAND TRUNK ARBITRATION.

QUESTION AS TO APPOINTMENT OF ARBITRATORS.

On the Orders of the Day:

Hon. W. L. MACKENZIE KING (leader of the Opposition): May I ask the Prime Minister when we may expect an announcement regarding the arbitrators to be appointed in connection with the acquisition of the Grand Trunk Railway? There are two arbitrators still to be appointed.

Rt .Hon. Sir ROBERT BORDEN (Prime Minister): So far as the Grand Trunk is concerned I am not in a position to make a statement. So far as the Government is concerned, no appointment has been made and, of course, no announcement can be made until the matter has been considered and determined.

Hon. W. L. MACKENZIE KING: I may point out that last sesion we were told

the reason the Government was anxious to get the Bill through was that the arbitrators might be appointed at once, and that if the appointments wre not then made there might be delay.

Sir ROBERT BORDEN: I do not think that any delay is likely to occur as my hon. friend suggests. Both the Grand Trunk Railway and the Government are making preparations to submit evidence to the arbitrators when they are appointed, and arrangements are not yet completed on either side to present the evidence. Consequently no delay is attributable to either of the parties concerned.

## THE NORTHWEST ROUTE, LIMITED.

### CONSIDERATION OF SENATE AMENDMENTS.

The House proceeded to the consideration of amendments made by the Senate to Bill No. 72 to incorporate the Northwest Route, Limited.

Mr. W. A. BOYS (South Simcoe): Mr. Speaker, I have just seen for the first time the amendments made by the Senate to this Bill. Section 5 is amended by providing that the head office of the company shall be at the city of Winnipeg instead of London, with a branch office in the latter place; and section 6 is amended to read:

> The annual meeting of the shareholders shall be held on the second Tuesday of September and may be held at the head office, or if so provided by by-law of the Company, at the branch office in London, England.

I see no objection to these amendments, which I think will meet with the approval of the company.

Amendments concurred in.

## PRIVATE BILLS.

### FIRST READING.

Bill No. 193 (from the Senate), for the relief of Nora Dowle.—Mr. Douglas (Strathcona.)

### SECOND READINGS.

Bill No. 185 (from the Senate), for the relief of Graziano Bertini.—Mr. Pedlow.

Bill No. 186 (from the Senate), for the relief of William Henry Caswell.—Mr. Duff.

Bill No. 187 (from the Senate), for the relief of John Covert.—Mr. Porter.

Bill No. 188 (from the Senate), for the relief of Mary Ireland.—Mr. Nesbitt.

Bill No. 189 (from the Senate), for the relief of John Daniel Mills.—Mr. Ross.

Bill No. 190 (from the Senate), for the relief of Joseph Aimee Wilfrid David.—Mr. MacNutt.

Bill No. 191 (from the Senate), for the relief of Richard Simpson.—Mr. Mowat.

Bill No. 192 to incorporate the Reliance Insurance Company of Canada.—Mr. Casgrain.

## QUESTIONS.

(Questions answered orally are indicated by an asterisk).

### REORGANIZATION OF THE CIVIL SERVICE.

*Mr. LEMIEUX:

1. Why have Griffenhagen and Associates been appointed to investigate the Post Office Department?
2. Is it true that the Government have agreed to pay that firm $10,000 a month for said investigation?
3. How many German Americans are members of the above firm?
4. Could not a British or a Canadian firm have been employed for such an investigation?

Rt. Hon. Sir GEORGE FOSTER:

1. This firm has been retained by the Government to assist in reorganization work because of its wide experience in the investigation and reorganization of governmental departments, public bodies and industrial establishments in the United States and Canada. It has a trained staff composed in part of Canadians which specializes in efficiency and reorganization work, including the study and survey of departmental organization, accounting and office procedure, methods of work, and the installation of organization, records, and procedure that a long experience in this work has shown to be best adapted to economical and efficient administration of Government departments as required in the public interest.

2. The firm is to be paid at the rate of $10,000 per month for a stated number of experts, working in conjunction with the Deputy Head and other selected officials of the department concerned. The investigation, however, includes other depa tments than the Post Office.

3. None.

4. There is no firm in Canada with wide experience in this kind of work. This firm is familiar with conditions in the Canadian Service because of its work during a year or more under the Civil Service Commission, and has thus acquired a knowledge of the problems arising in the administration of various departments. The work of reclassification has brought it into more or less close contact with the departments, and disclosed many of the weaknesses that it is

proposed to remedy. No other concern, known to the Government, is so well fitted by its long experience in the investigation and reorganization of industrial and public bodies, as well as its immediate contact with problems encountered in the administration of the Government of Canada. Any other firm would be under the disadvantage of having to spend a long period of non-productive time to become familiar with the conditions throughout the service. The reorganization of the Department of Public Printing and Stationery has shown the possibilities of improvement in the service that may be expected through them.

IMMIGRATION IN 1919 AND 1920.

Mr. JOHNSTON:

1. How many immigrants entered Canada during March and April, 1919, from the British Empire, from the United States and from other countries?

2. How many immigrants entered Canada during March and April, 1920, from the British Empire, from the United States and from other countries?

Hon. Mr. CALDER:

1.

| | British. | United States. | Other countries. |
|---|---|---|---|
| March, 1919. . . | 3,442 | 6,468 | 753 |
| April, 1919. . . . | 3,244 | 7,524 | 500 |
| | 6,686 | 13,992 | 1,253 |

2.

| | | | |
|---|---|---|---|
| March, 1920. . . | 4,677 | 5,170 | 952 |
| April, 1920. . . . | 6,229 | 6,324 | 734 |
| | 10,906 | 11,494 | 1,686 |

SYRIANS IN CANADA.

Mr. RINFRET:

1. What is the Syrian population in Canada?

2. How many Syrians immigrated in 1919 and 1920?

3. Are there any entry fees on all Syrian immigrants?

4. Does the Government intend to cancel said entry fees?

Mr. CALDER:

1. The census of 1911 gives the number of Syrians in Canada as 3,867; since then 765 Syrians have legally entered Canada.

2. 1919, nil; 1920, 18.

3. No.

4. See answer to No. 3.

DOMINION ARSENAL, QUEBEC.

Mr. DESAULNIERS:

1. Has Count Bury been appointed superintendent of the Quebec Armoury?

2. Who is he?

3. Where does he come from?

4. By whom was he recommended?

5. What is the nature of his services?

Hon. Mr. GUTHRIE:

1. Yes. Lieut.-Colonel H. R. V. Count de Bury and de Bocarme was appointed Acting Superintendent of the Dominion Arsenal, Quebec, on the 1st day of May, 1920.

2. He is an officer of the permanent force, being Major and Brevet Lieut.-Colonel in the Royal Canadian Ordnance Corps.

3. See No. 2.

4. By the Quartermaster-General.

5. He is in complete charge of the Dominion Arsenal at Quebec, and is responsible for the efficient output of all ammunition and other articles manufactured therein for the Militia Department.

DOMINION GOVERNMENT ELEVATORS.

Mr. SUTHERLAND:

1. How many grain elevators are operated or controlled by the Dominion Board of Grain Commissioners?

2. What is the capacity of each and where located?

3. What have been the receipts and shipment of grain into and from each of these elevators during each of the last five years?

4. What has been the cost of operation of each for the years mentioned?

5. To whom is charged or credited the losses or profits in connection with the operation of these elevators?

6. What are the total losses or profits in connection with the operation of these elevators for the years mentioned?

7. Has an annual audit, or any audit been made during the years mentioned? If so, where can the report be obtained?

Rt. Hon. Sir GEORGE FOSTER:

1. Five.

2.

| Located at. | Bushels Capacity. |
|---|---|
| Port Arthur, Ont. . . . . | 3,250,000 |
| Moosejaw, Sask. . . . . | 3,500,000 |
| Saskatoon, Sask. . . . . | 3,500,000 |
| Calgary, Alta. . . . . | 2,500,000 |
| Vancouver, B.C. . . . . | 1,500,000 |
| | 14,250,000 |

3. Receipts of grain:

NET BUSHELS.

| Crop year. | Port Arthur. | Moosejaw. | Saskatoon. | Calgary. | Vancouver. |
|---|---|---|---|---|---|
| 1914-15. . . . . | 9,662,224 | 2,902,406 | 2,459,130 | ..... | ..... |
| 1915-16. . . . . | 34,517,472 | 5,493,157 | 8,446,143 | 1,924,603 | ..... |
| 1916-17. . . . . | 21,201,553 | 5,292,201 | 7,234,057 | 3,633,960 | 233,520 |
| 1917-18. . . . . | 11,139,869 | 4,330,356 | 8,356,238 | 3,350,268 | 736,069 |
| 1918-19. . . . . | 5,341,811 | 3,056,151 | 2,924,575 | 3,552,520 | 881,720 |

Shipments of grain:

| Crop year. | Port Arthur. | Moosejaw. | Saskatoon. | Calgary. | Vancouver. |
|---|---|---|---|---|---|
| 1914-15.. .. .. .. | 9,736,821 | 2,803,566 | 2,477,037 | ..... | ..... |
| 1915-16.. .. .. .. | 33,629,149 | 5,260,573 | 8,324,084 | 1,893,123 | ..... |
| 1916-17.. .. .. .. | 21,503,139 | 5,323,606 | 7,328,350 | 3,652,390 | 229,928 |
| 1917-18.. .. .. .. | 11,850,918 | 4,446,213 | 8,359,096 | 3,304,830 | 623,672 |
| 1918-19.. .. .. .. | 5,469,250 | 3,082,455 | 3,006,313 | 3,656,422 | 916,262 |

4. Cost of operation elevator fiscal years ending 31st July:

| | 1915. | 1916. | 1917. | 1918. | 1919. |
|---|---|---|---|---|---|
| Port Arthur.. .. .. .. .. | $ 64,656 36 | $104,056 29 | $131,587 11 | $110,041 53 | $99,208 50 |
| Moosejaw.. .. .. .. .. | 38,558 72 | 52,157 70 | 84,980 13 | 73,726 88 | 83,237 61 |
| Saskatoon.. .. .. .. .. | 30,447 26 | 54,695 18 | 71,531 24 | 77,935 07 | 53,490 10 |
| Calgary.. .. .. .. .. .. | Nil | 22,679 91 | 34,832 39 | 43,269 49 | 43,914 49 |
| Vancouver.. .. .. .. .. | Nil | Nil | 16,260 20 | 14,590 18 | 17,819 89 |
| | $133,662 34 | $233,589 08 | $339,191 07 | $319,563 15 | $297,670 59 |

5. All revenues and moneys received are deposited to the credit of the Receiver General. Moneys for operating expenses are provided by parliamentary vote for the Canada Grain Act.

6. Net profits after deducting cost of operation, years ending 31st July:

| | 1915. | 1916. | 1917. | 1918. | 1919. |
|---|---|---|---|---|---|
| Port Arthur.. .. .. .. .. | $125,582 03 | $324,625 57 | $416,922 92 | $221,052 27 | $524,037 29 |
| Moosejaw.. .. .. .. .. | 49,697 15 | 38,519 74 | 78,535 06 | 45,757 00 | 33,645 25 |
| Saskatoon.. .. .. .. .. | 46,782 25 | 80,166 68 | 108,714 65 | 60,675 79 | 35,503 47 |
| Calgary.. .. .. .. .. .. | ..... | *1,211 52 | 34,436 30 | 22,361 02 | 62,845 19 |
| Vancouver.. .. .. .. .. | ..... | ..... | *11,506 98 | *4,641 59 | 13,514 54 |
| | $222,061 43 | $442,100 47 | $627,101 95 | $345,204 49 | $669,545 74 |

*Loss.

7. The annual audit has been made by Messrs. Marwick, Mitchell, Peat & Co., but has not been published.

CONTRACT WITH GRIFFINHAGEN AND ASSOCIATES.

Mr. PAPINEAU (for Mr. Lemieux) moved:

For a copy of Order in Council No. 1238, passed on the 31st day of May, 1920, concerning a contract entered into with Griffinhagen and associates at a rate of $10,000 per month.

Motion agreed to.

Rt. Hon. Sir GEORGE FOSTER (Minister of Trade and Commerce): I beg to lay the papers on the table of the House.

BOARD OF COMMERCE—RESIGNATION OF CHAIRMAN.

Mr. PAPINEAU (for Mr. Lemieux) moved:

For a copy of all correspondence and documents sent to the Right Hon. Sir George Foster, under date of March 3, 1920, dealing with the resignation of the chairman of the Board of Commerce.

Rt. Hon. Sir GEORGE FOSTER (Minister of Trade and Commerce): A motion quite similar to this, if not entirely so, was made by the hon. member for Provencher (Mr. Molloy) and the order was allowed to pass with the remark that such papers as were in the public interest should be brought down. This may pass with the same remark applied to it.

Motion agreed to.

UNOPPOSED MOTION FOR PRODUCTION OF PAPERS.

Mr. MICHAUD:

For a copy of all correspondence, documents, letters and reports relating to the Fisheries on the Restigouche river from Dalhousie, N.B., to Kedgwick, for the year 1919.

CANADA WHEAT BOARD.

On the motion of right hon. Sir George Foster (Minister of Trade and Commerce), who said that the assent of His Excellency had been obtained, it was resolved that the House go into committee to-morrow on a resolution respecting the Canada Wheat Board.

CANADIAN BUILT SHIPS.

On motion of right hon. Sir Robert Borden, who said that the assent of His Excellency had been obtained, it was resolved that the House go into committee to-morrow on a resolution standing in the name of the Minister of Finance authoriz-

ing the minister, on behalf of His Majesty, to endorse certain promissory notes to be given in part payment for ships built in Canadian yards.

## GOVERNMENT INSURANCE OF RETURNED SOLDIERS.

On motion of Sir Henry Drayton (Minister of Finance), who stated that the assent of His Excellency the Governor General had been obtained, it was resolved that the House go into committee to-morrow on a resolution providing for insurance of a returned soldier or soldier's widow.

## PENSIONS PAYABLE TO ROYAL CANADIAN MOUNTED POLICE.

On motion of Hon. N. W. Rowell (President of the Privy Council) who stated that the assent of His Excellency the Governor General had been obtained, it was resolved that the House do consider to-morrow a resolution with respect to the pension, gratuity or allowance payable to any member of the Royal Canadian Mounted Police.

## PENSIONS PAYABLE TO WIDOWS OR CHILDREN UNDER MILITIA PENSIONS ACT.

On the motion of Hon. Hugh Guthrie (Minister of Militia), who stated that the assent of His Excellency the Governor General had been obtained, it was resolved that the House do consider to-morrow a resolution with respect to the pension, gratuity or allowance payable, under the Militia Pension Act, to a widow or child.

## AMENDMENTS TO THE PENSION ACT.

On the motion of Right Hon. Sir Robert Borden, who stated that the assent of His Excellency the Governor General had been obtained, it was resolved that the House do to-morrow consider a resolution providing for amendments to the Pension Act, chapter 43 of the statutes of 1919.

## DOMINION FRANCHISE ACT.

The House resumed from May 17, consideration in committee of Bill No. 12 (Hon. Mr. Guthrie) respecting the election of members of the House of Commons and the electoral franchise.—Mr. Boivin in the Chair.

The CHAIRMAN: When progress was reported upon this Bill on Monday, May 17, paragraph (k) of clause 2, clauses 32, 63 and 101 with the amendment proposed by the Acting Solicitor General (Mr. Guthrie) had been allowed to stand. All of the other clauses had been agreed to with the exception of clauses 19 and 76 which cannot be considered until the House has concurred in the required money resolution. Clause 32 had been discussed at length and was still before the committee. Shall clause 32 carry?

Mr. GUTHRIE: I think we might first make an amendment which has been agreed upon to clause 100 in regard to advance polls.

The CHAIRMAN: Mr. Guthrie moves by unanimous consent that clause 100 be now reconsidered. Is it the pleasure of the committee to adopt the motion?

Motion agreed to.

Mr. GUTHRIE: The amendment I desire to move, Mr. Chairman, is as follows:

In clause 100, in line one, insert "and" between "sailor" and "commercial" and in line two strike out "or other person."

Amendment agreed to and section as amended agreed to.

Mr. GUTHRIE: I do not think we have dealt with section 101. If not I would move to reconsider it.

The CHAIRMAN: Clause 101 is still open.

Mr. BUREAU: That is about the Canada Temperance Act is it not?

Mr. GUTHRIE: I move that clause 101 as printed in the Bill be struck out and the following be substituted therefore:

101. Whenever under the Canada Temperance Act a vote is to be taken, the procedure to be followed shall, in lieu of the procedure therein directed, be the procedure laid down in this Act with such modifications as the Chief Electoral Officer may direct as being necessary by reason of the difference in the nature of the question to be submitted, and with such omissions as he may specify on the ground that compliance with the procedure laid down is not required.

(2) Any direction given by the Chief Electoral Officer for a modification of or omission from the procedure directed by this Act shall be published by him in the Canada Gazette at least four weeks before the day upon which the vote is to be taken.

(3) Notwithstanding anything in this Act, the list of voters as finally revised and completed for use in the Provincial election in the province of Ontario, held in the month of October, 1919, shall be used without revision for any vote in that province under this section taken before the 31st day of December, 1920.

I may say, Mr. Chairman, that the difficulty under the section as first drawn is this: In the Canada Temperance Amendment Act passed in 1919 certain provisions were incorporated in the amendment in regard to the taking of the vote. One that

occurs to me at the present time is that the hours of the polling are stated in the amendment, and those hours are the old hours between nine o'clock in the morning and five o'clock in the afternoon. Representations have been made that these hours are not, under modern conditions, sufficient to enable all the votes of men and women to be polled either at an election or a referendum, and the persons making the representations prefer that the new hours proposed in the present Bill be adopted for the purpose of the referendum.

Then there is a great deal of unnecessary machinery in the present Bill if you try to apply it merely to a referendum vote. All the provisions about nominations of candidates, and so on, that will not be applicable to simply the referendum vote. So that in order to adapt the machinery in the present Bill to a referendum vote it is necessary that it should undergo some modification and the proposal is simply this: That when a vote is to be taken on a referendum, the machinery of the present Bill shall be the machinery under which the vote is taken. If in any case it is not adapted to the referendum, the Chief Electoral Office has power so to decide, and his decision is to be published four weeks before the vote in the Canada Gazette.

The other question that is covered in this amendment is the vote to be taken in the province of Ontario next autumn. As the House is aware there was a provincial list prepared in that province last October. I do not think that it will be officially one year old by the date contemplated for the referendum vote; it may be a day or two more or a day or two less than that, but it will be in the neighbourhood of twelve months since the list was finally completed. It has been considered that in order to avoid expense that list might be deemed absolute and complete for the purpose of the referendum vote. Any representations that have been made to me have been in favour of such a course. It was a provincial list of recent adaptation, or preparation, and I have heard no objection—no serious objection at all events—to the course proposed, and that course would certainly save all the cost of preparing new lists for that important or unimportant event. I therefore move, Mr. Chairman, that the clause be amended in the way indicated in the amendment I have just read.

Mr. BUREAU: Before you put the amendment may I put a question. The clause as it stood in the Bill we are now passing, would apply in full in case of a referendum under the Canada Temperance Act. Under the amendment I understand that it will be left to the Chief Electoral Officer to determine what parts of the Act are to apply and what parts are to be omitted. Do I understand rightly?

Mr. GUTHRIE: He will determine what parts of the Act have to be modified.

Mr. BUREAU: He is to have the right to make modifications?

Mr. GUTHRIE: The amendment proposes that the Act shall apply, but that if in certain cases it has to be modified, the Chief Electoral Officer shall make the necessary modifications and publish them in the Canada Gazette four weeks before the voting date. It is only in minor cases that trouble could arise. In our Act we fix a certain time within which certain things are to be done, such as the nomination of candidates, the revision of lists, and so on—things which will not apply in an ordinary referendum vote. This amendment is proposed in order to clarify the matter and give the Chief Electoral Officer power to say what modifications are necessary.

Mr. BUREAU: Is the restriction about the Ontario lists made because of the understanding that in certain cities if the lists were two years old they could not be used?

Mr. GUTHRIE: No, this is independent of that understanding. This is merely for the purpose of avoiding throughout the province of Ontario the preparation of new lists for the purpose of this Bill. There is one clerical error in the amendment as you read it, Mr. Chairman. In subsection 3 the phrase "general election in the province," should be "provincial election in the province."

Mr. BUREAU: Call it "general provincial election."

Mr. GUTHRIE: I think we should call it "provincial." We always carry in our minds the distinction between a provincial and a general election.

Mr. BUREAU: That is right.

Mr. GUTHRIE: This is entirely apart from the matter raised by my hon. friend from Three Rivers (Mr. Bureau), which will come under section 32. I see no objection to providing in that section that lists up to two years old may be used as the basis. That was suggested by my hon. friend in regard to certain cities in the province of Quebec—

Mr. BUREAU: Five cities.

Mr. GUTHRIE: Where there was a revision of the lists every two years. I think the two-year qualification might apply throughout Canada—but we have not come to that section yet.

Mr. MACKENZIE KING: When this section was held over for further consideration I think it was felt that if the machinery to be used was the machinery set forth in the Act as now drafted, it would be very expensive for taking the vote under the Canada Temperance Act. On the other hand, if the Bill as it stands is to be amended on the lines previously discussed here so as to make the lists already prepared for the provinces apply for federal purposes. I think there would be no objection to passing this section now. But I am assuming that the minister intends to consider the amendments which he placed on Hansard, and will take them up in committee; and I am assuming also that they will meet with the approval of the House.

Mr. GUTHRIE: I think when the House last discussed the question I stated very distinctly that these were merely suggestions, that they were not moved as amendments, and my hon. friend must not go on the assumption that I in any way intend to abide by them. They do not affect the question under discussion. No matter what we decide under section 32, we must assume that a vote will have to be taken in two, and perhaps three provinces this fall; and this is only a general clause to avoid as far as possible any difficulty between administration under this Act and the Canada Temperance Act. For instance, the ballot papers will be different; there will be no names of candidates, but the electors will be asked to vote for or against the memorandum; the instructions to voters will be different; the sample Bill will be different; the forms of oath have to be changed; these are matters which we think we can safely leave to the Chief Electoral Officer, particularly when he has to give four weeks' notice in the Canada Gazette of any changes he makes.

Mr. BUREAU: I think the power is too broad. The Chief Electoral Officer might make any modifications he likes and who—

Mr. GUTHRIE: Any necessary modification.

Mr. BUREAU: There is no control even by the Governor in Council or by the Secretary of State and the Chief Electoral Officer becomes the absolute court of last resort. True he publishes any modifications or omissions in the Official Gazette. But supposing he does where is the remedy. Any complainant can only go to the Chief Electoral Officer and if the Chief Electoral Officer chooses to consider the complaint he may but otherwise the complainant's remedy is exhausted. If there was some authority over the Chief Electoral Officer, then the party feeling aggrieved would have the satisfaction of appealing to that higher authority. It seems to me that vesting this absolute power in the Chief Electoral Officer is not good policy.

Mr. GUTHRIE: He has not absolute power.

Mr. BUREAU: There is no one to restrict him.

Mr. GUTHRIE: He has power only to make such modifications as may be necessary to adapt this Act to the special conditions. I can see another way of accomplishing the same purpose, but I think it will take three or four weeks to do it; we will just have to pass duplicate sections and make special provisions for everything we do under the Election Act.

Mr. BUREAU: No.

Mr. GUTHRIE: It is only in some minor respects that there can be any conflict.

Mr. BUREAU: We can fix it by making the action of the Chief Electoral Officer subject to the approval of the Governor in Council or the Secretary of State.

Mr. GUTHRIE: I think it would be better to make the Chief Electoral Officer supreme than to make him subordinate to the Secretary of State or the Government. The idea was to leave the matter in charge of a man as far as possible removed from political influence.

Mr. BUREAU: Some contract.

Mr. GUTHRIE: It is.

Amendment agreed to.

Section as amended agreed to.

Mr. GUTHRIE: Now Mr. Chairman, if I might discuss clause 76, leaving clause 32 in the meantime? I will inform the House of the reason.

The CHAIRMAN: Clause 76 can be discussed, but it cannot be adopted.

Mr. GUTHRIE: That is the point. It is in order to determine some principle upon

which this question may be settled so that I may introduce the necessary resolution for consideration of the committee, as this clause will involve the expenditure of public money.

The CHAIRMAN: Very good. Clause 76 —Fees and expenses of election officers.

Mr. GUTHRIE: The difficulty, I may point out, is this. We have sought to establish a scale of fees for all officers who take part in the work of an election, and the difficulty has arisen from the fact that all constituencies are not alike. Difficulties have to be overcome in some of the remote constituencies which are not met with in ordinary city constituencies; consequently the fees payable in outlying districts should be more than those payable in compact, settled constituencies in the older provinces. One scale of fees will not give general satisfaction. Information is forthcoming, particularly in regard to the referendum votes which are contemplated during the coming fall, that returning officers and deputy returning officers cannot be secured at anything like the old scale of fees. It has been pointed out to me that in some ridings in New Brunswick and the Yukon and in some of the more remote parts of Saskatchewan and Alberta a considerable increase of fees is necesary in order to procure the necessary officials, and the same thing will have to be done in the unorganized districts of Ontario and in some constituencies in the provinces of Quebec, Nova Scotia and New Brunswick. So the proposal is that instead of settling upon one scale of fees for the whole of Canada the Chief Electoral Officer shall himself fix a scale of fees after making full inquiry into the circumstances pertaining to each electoral district. He will have to have in his office a pretty full record of each riding. He will have to know all the cities, towns and villages in each riding, the population and the distances, and he will be the person best able, I think, to prescribe a satisfactory schedule of fees. So that the proposal I make to the committee is that the clause as printed in the Bill be not adopted but that a new clause to this effect be adopted:

Upon the recommendation of the Chief Electoral Officer, the Governor General in Council may take a tariff of fees, costs, allowances, and expenses to be paid and allowed to returning officers and other persons employed at or with respect to elections under this Act, and may from time to time revise and amend such tariff.

That would be to omit subsections 1, 2 and 3 as now drawn and to allow 4, 5, 6, and 7 to stand with the addition of the clause that I have just read. If that arrangement meets with the approval of the committee I can have a resolution introduced along these lines. We cannot pass section 79 until a resolution has been adopted in the committee, and I think it would be well to settle upon some policy in regard to the matter. I have no special policy to offer; I merely suggest this as the most practical way of settling a difficult question.

Mr. MACKENZIE KING: It depends very much upon who is appointed as Chief Electoral Officer and how he is to be chosen. Has the minister any information to give the committee on that point?

Mr. GUTHRIE: I might be able to give it if the Chief Whip for the other side were here. There was to be a conference this morning and there will be one this afternoon as soon as my hon. friend's representative returns. In the meantime, I do not know that the matter is definitely settled. However, I assure the committee that the man selected as Chief Electoral Officer will be some outstanding person in whom the House has confidence. A number of names have been discussed, but no final determination has yet been reached.

Mr. MACKENZIE KING: Does the minister intend to regard this appointment as one to be made by the Government of its own volition, or does he intend to have any conference on the subject one way or the other?

Mr. GUTHRIE: It is an appointment which the Government must settle ultimately and for which it must take the responsibility, although I think it is advisable that the Government should consult before finally settling upon any definite appointment. But as in all cases the ultimate responsibility for the selection must rest with the Government. If the principle I now advocate be adopted, I can proceed to give notice so that there may be no delay in getting the matter into the committee stage. I can well understand that when we come to section 19, which has regard to the appointment of a Chief Electoral Officer, this proposal concerning fees will be urged as one of the reasons why we must have an absolutely fair and impartial and outstanding man for that position.

Mr. BELAND: Will the scale of fees be recommended to the Governor in Council for each general election?

Mr. GUTHRIE: I do not know that it would be a permanent scale of fees, because there is no doubt that at the present time we have to pay more than at any other time in the country's history. That condition may not continue. The clause as drawn would give the Chief Electoral Officer power to make recommendations from time to time. I think he would have to make five or six different scales of fees, one to apply in cities; one in semi-urban and semi-rural ridings, compact in size and distance; another in ridings totally rural; another in unsettled portions of Canada where the distances are very great. All these matters will have to be considered and some scale adopted which will apply to groups of constituencies which are similarly situated.

Mr. TURGEON: I quite approve of the suggestion made by the minister. For instance, the county of Gloucester, which I have the honour to represent, has a coast two hundred miles in length, and includes two islands, Miscou island and Shippigan island. At certain times of the year, especially in spring and fall, it becomes very difficult to cross the harbours and to gain access to these islands. Particularly is this the case when, as very often happens, the election is held late in the year. During the last five or six elections there have been complaints from the returning officers that the fees allowed were not sufficient. The suggestion made by the minister, therefore, will be heartily approved by the people of the north shore of New Brunswick.

Mr. MOWAT: I am quite sure that the returning officer in the country has a great deal to do. But it is also true that in the last election the returning officers in the cities worked on the basis of inadequate fees, as allowed by the Auditor General. There was trouble all over Canada in that regard, and if the fees are not substantially increased it will be difficult to get competent, well-instructed men to take these jobs at the next election. I noticed that in connection with the prohibition referendum in Ontario the returning officers in Toronto put in bills amounting on the average to $2,000. The matter went before the County Judge and he cut the amounts down to some extent, the average amount allowed in Toronto for that election being about $1,500. Well, that is a great deal more than the amount allowed by the Dominion. I hope that the Chief Electoral Officer will not be guided only by opinions and experiences here in Ottawa; that he will receive recommendations and suggestions from those who are familiar with elections in the different constituencies so that he will not go wrong in fixing his scale of fees. Unless we provide that these officials shall not have their legitimate expenses cut down, we shall have difficulty in getting a suitable class of men.

Mr. CLEMENTS: I wish to bring to the attention of the minister two British Columbia constituencies, namely, Skeena, represented by my hon. friend (Mr. Peck) and Comox-Alberni represented by myself. These two constituencies comprise an area of 1,600 miles, north, south, east and west, and I had hoped that the minister would provide in this Bill some way of taking care of those constituencies by enumeration.

Mr. GUTHRIE: It is the consensus of opinion of the committee that the proposal I made would be more satisfactory than the old rule of having a schedule, and acting on that, I will give notice of resolution in the ordinary way because the matter will have to come up by way of resolution.

Section 76 stands.

Mr. GUTHRIE: If the committee will agree, I should like very much to have the question of forms settled at this point. The forms as originally drawn were, I am afraid, taken without very much revision from former Franchise Acts, and in the form printed they are not altogether suitable to the provisions of the present Bill. We have, however, had the very able assistance of the Deputy Speaker of the House in going over these forms with a committee of members, and a number of amendments have been submitted which I think will remedy the defects in the forms as printed in the Bill. I understand it will be necessary for me to make a separate motion as regards to each form. If the leader of the Opposition (Mr. Mackenzie King) is agreeable, perhaps we could do this as a mere matter of form, because I do not think we are competent, sitting here as a committee, to decide on the merits of these amendments without a great deal of study. The matter was left in the hands of a subcommittee who, I think, did their work pretty faithfully, and I would be prepared to accept the amendments as they stand.

3 p.m.

Mr. MACKENZIE KING: I understand these forms have been gone over by members of both sides of the House with the assistance of the Deputy Speaker, and that the committee who have gone over them

have been unanimous in their conclusions as to amendments to the forms as they now stand. Under the circumstances, I will certainly agree.

Mr. GUTHRIE: I move that we do now proceed to the consideration of the Forms in Schedule 1 to this Bill which have not yet been adopted and at the same time I move, with the unanimous consent of the committee, to reconsider and amend Forms A, G, P, V, DD, EE, FF and GG which have been agreed to, but to which some slight amendments have been found necessary.

Motion agreed to.

On Form A.

Mr. GUTHRIE: I move to amend Form A by striking out in the 6th line the words " of the county or as the case may be," and by substituting therefor the following words. "(Insert name, legal addition and residence of returning officer)," and by inserting after the words "for the electoral district of . . . ." in the 15th and 16th lines, the words "in the province of . ."

Mr. BUREAU: It is very hard to follow the amendments, but as the matter has been agreed on, it is all right. One cannot reasonably form any opinion as regards amendments to insert words.

Mr. GUTHRIE: This is purely formal. There are not many amendments in substance.

Amendment agreed to.

On Form F.

Mr. GUTHRIE: I move to amend Form F by striking out the word "the" at the end of the 1st line and by substituting therefor the words "polling division No. "; by striking out in the 3rd, 4th and 5th lines the words in the province of Alberta or the Yukon Territory or as the case may be"; by striking out in the 5th and 6th lines the words "being one of the persons permitted by law to affirm in civil cases" and by striking out in the 5th and 6th lines of the certificate the words "in the province of or as the case may be."

Amendment agreed to.

On Form G:

Mr. GUTHRIE: I move to amend Form G by striking out the word "of" in the 3rd line of page 80 and leaving no blank space thereafter; by replacing the word "six" at the beginning of the 9th line by the words "the hour of " and by adding at the end of the Form the following note: Insert the hour of six o'clock in the forenoon for urban polling divisions and the hour of eight o'clock in the forenoon for rural polling divisions. That is to make this conform with the amendment which we made to the section.

Amendment agreed to.

On Form K:

Mr. GUTHRIE: I move to amend Form K by inserting in the 1st line or heading of the tabulated list of names, after the word "name" the words "family name first"; by inserting after the word "residence" the words "street and number where possible", and by striking out after the word "remarks" the following words: "this column is for the use of the Poll Clerk on polling day."

Amendment agreed to.

Mr. DENIS: I should like to know whether this will obviate the difficulty which I have already pointed out. I said that under the law as drafted the surname of a woman might just as well be placed on the list as the surname of her husband, and this was done with great inconvenience in the Quebec East by-election. Supposing a woman whose name is Mary Smith marries a man whose name is Edward Blake. Her name may appear on the list as Mary Smith Blake, or Mary Smith, or Mary Blake. The intention is to use the Christian name of the woman and the surname of her husband; and in order that that end may be attained, it should be clearly stated in rule (6) of Schedule A to clause 32 that this provision is contemplated. I would, therefore, suggest that, after the following words in paragraph (a) of rule (6), "such list shall show the names thereon alphabetically arranged according to surnames" the following words "a married woman or a widow to be inscribed on the list under her own Christian name but under her husband's surname" be inserted. That would be perfectly plain, and then the clause would continue:

> And shall have the letter (w).

And so on. Then you would know that a married woman is to be inscribed on the list under her Christian name but under her husband's surname. In that way there would be no possible mistake.

Mr. GUTHRIE: We have noted that under clause 32 where it comes in. I shall be glad if my hon. friend will move that

amendment when we come to clause 32. We have it in effect in our notes.

Mr. GUTHRIE: I move to further amend Form K by striking out in the 3rd and 4th lines of the second certificate the words "or if no correction is made, as finally approved" and by substituting therefor the words "and corrected" and by striking out the two last lines of the said Form.

Amendment agreed to.

On Form K 1:

Mr. GUTHRIE: I move to amend Form K 1 by striking out in the 2nd line of paragraph (1) the word "every," by inserting after the words "polling division" the words " No.... (or Nos.... as the case may be)" and by inserting in the 3rd line after the words "electoral district that is" the words "or are."

Amendment agreed to.

Mr. GUTHRIE: I move to further amend Form K 1, by inserting after the word "persons" in the 1st line of paragraph (3) the words "who reside within the said polling division," by striking out all the words after the word " Registrar" at the end of the said form and by adding thereto the following note "Add for posting a copy of subsection (1) of section 6 of this Act."

Amendment agreed to.

On Form K 2:

Mr. GUTHRIE: I move to amend Form K 2, by striking out where they appear at the end of the said form the following words "Sworn before me this.....day of .....A.D..... at..... Signature .....Registrar."

Amendment agreed to.

On Fom K 3:

Mr. GUTHRIE: I move to amend Form K 3, by striking out all the words after the word "Registrar" in the next to the last line of the said form.

Amendment agreed to.

On Form K 5:

Mr. GUTHRIE: I move to amend Form K 5, by inserting after the word "for" in the 2nd line of paragraph (1) the words "polling division No....of"; by striking out in the 2nd and 3rd lines of paragraph (2) the words "list of electors" and substituting therefor the words "index book"; by striking out in the 1st line of paragraph (3) the words "upon the said list" and substituting therefor the words "in the said index book" and by striking out the word "list" in the 2nd line of paragraph (4) and substituting therefor the words "index book."

Amendment agreed to.

On Schedule 1:

Mr. GUTHRIE: I move to amend Schedule 1 of the Act by inserting after Form K 5, the following form:

Form K 6.

Form of Index Book to be used by the Registrar in compiling the list of voters for each Polling Division under his jurisdiction, in compliance with Section 32 of the Dominion Elections Act.

Form for First Page.

Electoral District of.....

Polling Division No..... Comprising (Giving the limits)

| Name Family name first. | Occupation or addition. | Residence Street and Number where possible. | Remarks. |
|---|---|---|---|
| | | | |

Form for second and subsequent pages. Continuation of Polling Division No.....

| Name Family name first. | Occupation or addition. | Residence Street and Number where possible. | Remarks. |
|---|---|---|---|
| | | | |

Amendment agreed to.

Mr. GUTHRIE: I move to further amend Schedule 1 of the Act by inserting after the new Form K 6, and before Form L the following form:

Form K 7.

Form of Certificate and Notice to Electors to be used by the Registrars in Complying with Rule 4 of Schedule B to Section 32.

Form of Certificate.

I certify that the following is a true copy of the Voters' List for Polling Division No..... (or Nos..... as the case may be) of the Electoral District of. . . . . as prepared by me for use in the election of a member of the House of Commons for the said electoral district, now pending. Dated at. . . . . this.....day of.....19..

.....
Registrar.

Notice to Electors.

Notice is hereby given that I will attend and remain at.....on the five following days, namely.....

.....

between the hours of Two and Six o'clock in the afternoon, at which time and place I may be found by the electors, as provided by Rule 3 of Schedule B to section 32 of the Dominion Elections Act.

.....
Registrar.

Mr. ROSS: Have you added the Jurat to Form K 5?

Mr. GUTHRIE: It was added at a previous sitting.

Amendment agreed to.

On Form L:

Mr. GUTHRIE: I move to amend Form L by inserting in the 1st line thereof, after the words "Electoral District of....." the words "in the Province of....."; by inserting after the words " or town" in the 8th line thereof the words "or village" and by striking out in the 16th, 17th and 18th lines, the words "from the hour of six in the forenoon and kept open until the afternoon" and by substituting therefor the following words "at the hour of six o'clock in the forenoon and kept open until the hour of six o'clock in the afternoon in urban polling divisions, and will be opened at the hour of eight o'clock in the forenoon and kept open until the hour of six o'clock in the afternoon in rural polling divisions."

Amendment agreed to.

The committee will remember that we changed the clause in the Act to make the hour of eight o'clock apply in rural divisions.

Amendment agreed to.

On Form L—Proclamation of returning officer:

Mr. GUTHRIE: I move to further amend Form L by inserting as a new paragraph, at the bottom of page 86, the following:

"The territory comprised within the cities, towns and incorporated villages of .. .. ..

Mr. ROSS: It would be better to follow the old practice.

Amendment agreed to.

On Form M—nomination paper, etc.:

Mr. GUTHRIE: I move to amend Form M by striking out in the second and third lines the words "names, residences and addition or description of person or persons nominated" and by substituting therefor the words "name, residence and addition or description of person nominated."

Amendment agreed to.

On Form N—oath of attestation of the nomination paper:

Mr. GUTHRIE: I move to amend Form N by inserting before the words "Justice of the Peace" at the end thereof, the words "Returning Officer" and by inserting after the same words, the words "or as the case may be."

Amendment agreed to.

On Form P—notice of grant of a poll:

Mr. GUTHRIE: I move to amend Form P by inserting below the words "electoral district of" in the 1st line thereof, the words "Province of" and by striking out in lines 3, 4 and 5 on page 89 the words "from the hour of six in the forenoon till the hour of six in the afternoon in each of the following divisions, that is to say" and by substituting therefor the following words "at the hour of six o'clock in the forenoon and kept open until the hour of six o'clock in the afternoon in urban polling divisions and will be opened at the hour of eight o'clock in the forenoon and kept open until the hour of six o'clock in the afternoon in rural polling divisions, as follows:

Amendment agreed to.

On Form T-1—certificate to deputy returning officers:

Mr. GUTHRIE: Then it becomes necessary to insert a new form after Form T to be known as T-1, page 94.

I move to amend schedule 1 of the Act by inserting after Form T the following form:

Form T-1.

Certificate to be given to a Deputy Returning Officer, a Poll Clerk, a Candidate or a Candidate's Agent under Section 53 SS 1 of the Dominion Elections Act, when required.

No.....

This is to certify that..... is a qualified elector at Polling Division No..... in the Electoral District of..... but that in consequence of his having been appointed to act in the capacity of *(see note) .....at Polling Division No....., he is entitled to vote at said last mentioned Polling Division.

Dated at.....this.....day of...., 19..

.....

Revising Officer or Registrar.

*Insert Deputy Returning Officer or Poll Clerk or Candidate, or Agent for....., one of the Candidates of this election, as the case may be.

Amendment agreed to.

On Form V—form of poll book:

Mr. GUTHRIE: I move to amend Form V by striking out in the heading of the tabulated list of voters, the words "qualification of voters" and by substituting therefor the words "names of persons vouching for voter."

Amendment agreed to.

On Form Z—oath that voter is not disqualified under the Dominion Elections Act:

Mr. GUTHRIE: I move to amend Form Z1 by striking out the word "electors" in the title of the said form and substituting therefor the words "applicant who claims right to vote."

Amendment agreed to.

On Form Z No. 1—oath to be taken by electors:

Mr. GUTHRIE: I move to further amend Form Z No. 1 by adding after the words "such province" in the next to the last line of the said form, the following words:

or (that though you are disqualified in respect of race by the laws of this province, you are entitled to vote because you have served in the naval, military or air forces of Canada in the late war and you did produce to the registrar upon the making up of the voters list a discharge from the said naval, military or air forces of Canada and you do also herewith produce such discharge).

That is to meet the case of an Oriental who has served in the Canadian forces and who would otherwise be disqualified.

Amendment agreed to.

Mr. GUTHRIE: I now beg to amend Schedule 1, of the Act by inserting after Form X No. 1, the following form:

Form Z No. 2.

Oath to be taken by Electors who vouch for Applicant who claims right to vote.

You do swear that you are a qualified elector at this election for a member to serve in the House of Commons for the electoral district of .....(as the case may be) and that you reside in polling division No..... in the

said electoral district and that you know.....
.....
who has applied to have his name added to the voters list in said poling division, that the applicant is a British Subject and not an Indian ordinarily resident on an Indian reservation that he (or she) is of the full age of twenty-one years and has ordinarily resided in Canada for at least twelve months immediately prior to this date and within this electoral district for at least two months immediately preceding the issue of the writ for this election and is now a resident in this polling division and is not disqualified in respect of race by the laws of this province from voting for a member of the Legislative Assembly of this province. So help you God.

It is the same oath practically as the applicant must take.

Amendment agreed to.

Mr. GUTHRIE: I move to amend Form DD by replacing the words "county of" where they appear in the marginal heading of the said form by the words "electoral district of".

Amendment agreed to.

Mr. GUTHRIE: I move to amend Form EE by replacing the words "county of" where they appear in the marginal heading of the said form by the words "electoral district of".

Amendment agreed to.

Mr. GUTHRIE: I move to amend Form FF by replacing the words "county of" where they appear in the marginal heading of the said form by the words "electoral district of".

Amendment agreed to.

Mr. GUTHRIE: I move to amend Form GG by replacing the words "county of" where they appear in the marginal heading of the said form by the words "electoral district of".

Amendment agreed to.

Mr. GUTHRIE: I move to amend Form SS by striking out the figures "99" in the 2nd line thereof and substituting therefor the figures "100."

Amendment agreed to.

Mr. GUTHRIE: I move to amend Form TT by striking out in the 3rd line of the title the words "16 and 17" and substituting the words "and 16;" also by replacing the figures "99" where they appear in the 5th and 17th lines by the figures "100," and by replacing the word "receiving" where it appears on the 2nd line of page 110 by the word "revising."

Amendment agreed to.

Mr. GUTHRIE: I move that all the forms contained in Schedule 1 of the Act be consecutively numbered instead of lettered and that the necessary changes be made in the Bill accordingly.

Motion agreed to.

Mr. ROSS: With respect to an elector voting at an advance poll the suggestion was made, and taken under consideration, as to whether he should not be obliged to take an oath instead of simply signing the form TT found at page 110.

Mr. GUTHRIE: I would not think it was necessary. The elector gets his certificate from the proper officer who has a right to issue those certificates and who can swear him. Then when he comes to vote the possession of the certificate will be sufficient.

Mr. ROSS: Some other man may take the certificate and use it. The elector has got to sign anyway so where is the harm of adopting some precaution?

Mr. GUTHRIE: You can swear the man as he comes up in the ordinary way as you can any voter.

Mr. ROSS: Then what is the use of putting this in at all. The elector has to sign his name on the certificate of identification so why not have him sworn. What is the objection?

Mr. GUTHRIE: I am told the object of that is to make sure that you have the right man. When he gets a certificate he has to sign his signature just as the banks require when they issue foreign bank cheques. When the elector goes to vote the officials can say, "Let us see your signature," and they can compare it right here.

Mr. ROSS: I cannot see any reason for not making the change suggested if you want a real safeguard.

Mr. GUTHRIE: I think this is the procedure followed by the express companies when they issue money orders, as well as by the banks in the case of foreign cheques.

Mr. ROSS: But this is very important.

Mr. GUTHRIE: I do not think it can be better safeguarded than by the signature proposals.

Mr. ROSS: In connection with Form UU, it is stated explicitly that the declaration provided for there is not made under oath. Very well, why not have the elector make the declaration under oath. If a man cannot vote except at an advance poll why not

require him to take an oath that his calling is such that he cannot vote at any other time.

Mr. GUTHRIE: I do not see why you should swear a railway man more than any other individual; I think that a railway man's vote should be taken as readily as anybody else's. This applies only to three classes of people and I would not impose upon them the necessity of taking an oath to get the ordinary rights to which they are entitled. We are safeguarding it in every possible way.

Mr. BUREAU: This is a special privilege accorded to certain classes of men beclause they will be absent from their homes on polling day. Does my hon. friend claim that if a man's name is not on the list he should not have to swear in order to be allowed to vote?

Mr. GUTHRIE: He certainly will.

Mr. BUREAU: He may be as honest a man as any hon. member or any railway conductor. Why do you do it? Because that man is getting a special privilege. Here is a man who is going to vote in advance of the election. To that extent he is getting a special privilege, and I contend that the argument put forward by my hon. friend is absolutely right, that he ought to swear that he is coming within the provisions of the Act giving him that privilege; otherwise his vote ought not to be taken.

Mr. MACKENZIE KING: It is not a question of doubting the word of the railway men, it is really protecting them against impostors.

Mr. GUTHRIE: How does this work out? In the first place a man has to be on the voters' list. He goes to the presiding officer and says, "I want a certificate to enable me to vote at the advance polls," and as part of the procedure to avoid any "double crossing" we make him sign his name at the bottom of that certificate in the presence of the returning officer. He goes to the advance poll, and he is bound by every oath prescribed under the law and can be sworn. What more swearing is necessary? We have double identification, we have the oath, we have the fact that his name is on the list, and we have his signature. Why don't you swear all the agents that go out to vote? They get special privileges.

Mr. BUREAU: I may go to the returning officer and sign "Hugh Guthrie" instead of "Jacques Bureau." That is no evidence that I am the Minister of Militia.

Mrl. GUTHRIE: People do not do that sort of thing. We are prescribing the safeguard that every bank in the country uses.

Mr. ROSS: If this is necessary at all—

Mr. GUTHRIE: My hon. friend was here when we went over this line by line,—why didn't he make his suggestion then? That is the difficulty,—after we get clauses settled members "butt in" at the last moment with suggestions.

Mr. PARDEE: That does not apply to hon. members on this side only.

Mr. ROSS: I made the suggestion to my hon. friend and he said he thought it perfectly feasible and offered to submit it. If the declaration is to be taken at all by the railway men or the sailors or the commercial travellers, I do not see why it should not go on the schedule.

Mr. GUTHRIE: Every man can be sworn at the polls in the ordinary way.

Mr. ROSS: That is true.

Mr. GUTHRIE: Then why have him sworn twice?

Mr. ROSS: Then this declaration is not necessary at all.

Mr. GUTHRIE: The declaration is for the purpose of identifying the man. It is his signature that identifies him.

Mr. ROSS: I am speaking of UU now.

Mr. SINCLAIR (Guysborough): There is no other oath similar to this in the Act:

> I declare that my employment or calling is such as to necessitate from time to time my absence from my ordinary place of business or from my ordinary place of residence.—

and so on. The oath is proposed to be given to the voter for the purpose of showing that he comes within the class that is to get the privilege, and talking of other affidavits does not fit this case at all.

Mr. GUTHRIE: Now I begin to see the light. That was not the point raised at all. The point raised was whether the man was entitled to vote.

Mr. SINCLAIR (Guysborough): No.

Mr. GUTHRIE: I am quite content that railway employees, sailors and commercial travellers shall have the right to go to advance polls and vote under the section as now drawn, and if any one is not content with the section let him move an amendment. The section has been submitted to these various classes of people and has been approved by them.

Mr. MACKENZIE KING: What is my hon. friend's objection to providing that a man who may not belong to one of these classes, but who presents himself at an advance poll should be asked to take an oath before he votes?

Mr. GUTHRIE: I do not think it necessary anyway as any such contingency is already guarded against.

Mr. STEVENS: It is certainly unfair and to a certain degree, a reflection upon a group of voters to ask that they shall be particularly sworn as a whole when other voters are not required to be so sworn, especially in view of the fact, as the minister pointed out, that all voters are subject to take an oath is challenged. I submit that it would be very unwise to submit railway men, sailors and commercial travellers to a special oath, especially in view of this other fact, that they are subject to be sworn as all other citizens are subject to be sworn.

Mr. MACKENZIE KING: I would point out that the three groups my hon. friend (Mr. Stevens) has mentioned are securing a privilege which is accorded to no other class of the community. There is ground for a little difference there. But it is not a question of doubting the word of the railway man or of the sailor or of the commercial traveller; it is to protect members of these three groups against some outsider demanding the right to vote under this privilege.

Mr. STEVENS: I submit that all voters are subject to the same difficulty and danger. The usual practice is to swear a person not recognized by the poll clerk or by the scrutineer, and the same thing would apply in this case.

Mr. GUTHRIE: It is pretty thin skating for the leader of the Opposition to say that this proposal which he evidently wants to force upon the committee, is to protect these three classes. He knows that certain people do object to being sworn. He was present at the meeting when the hon. member for Shelburne and Queen's (Mr. Fielding urged in the most vehement manner that it would be an injustice to the people of Nova Scotia if they were compelled to take the oath before being allowed to vote, and he stated that they would not vote. Now my hon. friend the leader of the Opposition wants to impose the same obligation against these three classes. This clause was gone over line by line by the House and no objection was raised. I have gone over it with the representatives of the commercial travellers and the railway men, and they have expressed their satisfaction with it. However, that does not bind anybody, and if hon. members opposite want to challenge this section let them move an amendment.

Mr. DENIS: What opposition would there be to make this form in the shape of a solemn declaration under the Canada Evidence Act? It would not be a sworn statement, and at the same time it would fulfil the object sought to be attained.

Mr. GUTHRIE:: You can swear them all if you want to.

Mr. DENIS: No. The solemn declaration in the Canada Evidence Act was drawn especially to serve the purpose when you do not want to swear a person but in the meantime you want something which will have the same value as an oath.

Mr. GUTHRIE: I do not propose to change it, Mr. Chairman.

Schedule agreed to.

Mr GUTHRIE In connection with schedule 3 in that section, this schedule was drawn, I think, without consultation with the various interests and it is not as complete as it should be, and I am told places have been included where advance polls are not necessary. From the railroad point of view the following changes should be made with regard to the province of Alberta. They ask that the following places be struck out: Acme, Aldersyde, Banff, Cardston, Coutts, Frank, Lacombe, Langdon and Stirling; and that there be added the following names: Red Deer, West Edmonton, and Hardisty. From the railway point of view they said it would not convenience any of their men to establish advance polls at the places I have enumerated, but that it would convenience some railway men if advanced polls were established at Red Deer, West Edmonton and Hardisty.

Mr. WHITE (Victoria): What reasons have they offered for the establishing of advance polls at these three points?

Mr. GUTHRIE: The reason they offer is that it would be a convenience for railway employees.

Mr. WHITE (Victoria): What would the convenience be?

Mr. GUTHRIE: That they could utilize these advance polls, whereas if they did not have them some men might be deprived

of their votes. The Chief Electoral Officer has power to vary these schedules if necessary and to establish advance polls in other places. In British Columbia the railway men say that they do not require advance polls at Brodie, Donald, Kamloops Junction, Mission, Sicamous, Spence's Bridge, or Yank, but they ask that the following be included: Cranbrook, Nelson, and North Bend. Then, in Manitoba they say that they will not be convenienced by the establishment of advance polls at Molson or Virden, but they ask that the following be included in the list: Transcona, Elmwood and Fort Rouge. In New Brunswick they ask that Fairfield, Gibson, St. Stephen, and Woodstock be added; they are content with the list otherwise. In Nova Scotia they ask that the following be added: Dartmouth, Glace Bay, Sidney Mines and Stellarton. In Ontario they do not ask for any advance polls at Berton, Chalk River, or Glencoe, but they ask that the following be added: Barrie, Kenora, Mimico, Sioux Lookout, Grant, Chatham, Wallaceburg, Kitchener. In Prince Edward Island they ask that Borden be added to the list. In Quebec they ask to add Tring Junction, Charney, Limoilou and Tourville. In Saskatchewan they think that Bulyea might be taken from the list, and they ask that the following names be added: Neudorf, Sutherland, Bredenbury, Colonsay, Lanigan, Lipton, Perdue, Strasbourg, Wilkie, Wynyard. I just wish to point out that the changes which I have mentioned to the committee are such as have been suggested by the Railway Brotherhood. No representations whatever have been received by me from sailors or commercial travellers. I have no doubt there are not included in the list other points which should be enumerated, and if there is any reason for adding to the list, the committee should hear the names now if hon. members are ready to give them.

Amendment agreed to.

Mr. WHITE (Victoria, Alberta): I would suggest that Camrose be added to the Alberta list.

Amendment agreed to.

Mr. CLEMENTS: I would suggest that Parksville Junction be added to the British Columbia list. It is a junction point on the E. and N. railway.

Amendment agreed to.

Mr. DAVIDSON: I would suggest that Amherst, Windsor and Annapolis Royal be added to the Nova Scotia list. Windsor is the shire town of Hants and there is a large railway population there.

Amendment agreed to.

Mr. KEEFER: I would suggest that Ignace, a divisional point between Fort William and Kenora on the Canadian Pacific railway, where engine crews are changed in part, be added to the Ontario list. I think it has been overlooked by the railway men.

Mr. EULER: I would suggest that Waterloo and Elmira be added to the Ontario list.

Mr. SMITH: I would suggest that Lindsay and Whitby be added to the Ontario list.

Mr. GUTHRIE: Yes, they are sort of railway terminals and I think they should both be added.

Mr. CLARK (Bruce North): I would suggest that Wiarton and Southampton be added to the Ontario list.

Mr. GUTHRIE: I see Lindsay was in the printed list.

Amendment agreed to.

Mr. WRIGHT: Has the minister struck the name Wainwright from the Saskatchewan list. Wainwright is in Alberta not in Saskatchewan.

Mr. GUTHRIE: Is Wainwright a place where we should have an advance poll.

Mr. WRIGHT: Yes.

Mr. GUTHRIE: I move that we transfer Wainwright from the Alberta list to the Saskatchewan list.

Amendment agreed to.

Mr. MACNUTT: What is the reason given for adding Lipton to the list for Saskatchewan? There are no railroad men there that I know of. Balcarres might be called a railroad town.

Mr. GUTHRIE: The reason given was that it would be a convenience to the railway men if Lipton was included.

Mr. GLASS: I understand the Chief Electoral Officer has certain powers to provide for adding names of any places where it might be found desirable to establish advance polls although these places may not be enumerated in this list.

Mr. GUTHRIE: Yes, later on he may.

Mr. GLASS: What is the position of a railroad man living, for instance, adjacent

to a city or a point where an advance poll is held? He may live in the township just outside the city. Does the Act cover the taking of advance polls of these men?

Mr. GUTHRIE: He must live in the electoral district in which the poll is established; otherwise he cannot vote.

Mr. GLASS: Then a great injustice would be done to quite a number of railway men who have their homes in the township outside the limits of a city. If there be a sufficient number to provide advance polls for them, the Act should provide for establishing advance polls in such districts. There are 100 or 150 railway men and possibly as many commercial travellers who live in the townships adjoining Westminster and London, outside the city limits altogether, and who have no opportunity to poll their votes. There should not be discrimination in favour of those who live in cities.

4 p.m.

Mr. GUTHRIE: There is no discrimination in the Act. If you have fifty such men and make a representation to the Chief Electoral Officer, you can have an advance poll established. If not more than fifty votes are polled at an advance poll at the next election the Chief Electoral Officer shall strike that poll off the list. It will be in the nature of an experiment. There may not be more than ten or fifteen votes polled at some advance polls at the next election, and in such a case the advance poll will cease to exist.

Schedule 3 as amended agreed to.

Mr. GUTHRIE: I think we might now discuss section 63. The only question that has arisen in regard to this section since we last discussed it is whether it would really be necessary to have two men vouch for a man who comes on polling day to have his name added. It the western polls it may be difficult to find two men who could conveniently be brought to swear that some person is entitled to vote. It seems that in Saskatchewan and Alberta where the system is now in vogue, they have no difficulty. But it was represented to me that it might be well, as an additional safeguard, to provide that two men should be required to vouch for any one who desired to have his name added on election day. The suggestion has now been made, however, that in some remote places where the population is sparse and the number of voters on the list none too great, some difficulty might be experienced in securing two men to vouch, and the question is whether one would not suffice. Personally, I have no particular views on the point.

Mr. MACKENZIE KING: Each of the parties would be represented by his agent, who could serve as one of the persons required to vouch. That would overcome the difficulty.

Mr. GUTHRIE: I do not know that the agent is altogether the class of man we desire to have vouch. He might be a city scrutineer sent out to the country. I would rather have two bona fide residents of the division. The question now is whether one would not be sufficient.

Mr. MACKENZIE KING: Let us understand the proposal. As the law stands, any person may present himself at the poll and claim the right to vote without any one vouching for him. It is now proposed that two persons shall vouch for him, and there is a suggestion that one is sufficient. One man will have to take the oath?

Mr. GUTHRIE: The man himself and his surety as well will have to take the oath.

Mr. MACKENZIE KING: The surety is to be resident in the district?

Mr. GUTHRIE: Yes.

Mr. WHITE (Victoria): I think it may be found difficult to have even one man vouch for a voter. A man living twenty or more miles away might ride into a polling division and be absolutely unable to find any one to identify him. Comparatively new settlers do not very quickly become acquainted, and some man might be a British subject resident in his district for some time and yet find it difficult to secure identification at the polling division. I have read of a man cutting roads for miles to get to West Edmonton to vote, and if no one acquainted with him happened to be around he could not be vouched for.

Mr. GUTHRIE: I move to amend clause 63 by striking out subclause 1 and substituting therefor the following subclause:

At polling stations in rural polling divisions the deputy returning officer shall, while the poll is open if required by any person whose name is not on the voters' list and who is vouched for by an elector who is a resident in such polling division, administer to such person oath number (1) in form "Z" No. 1 of schedule one to this Act and to such other person an oath in form "Z" No. 2 of schedule one to this Act, and such oath having been taken by the applicant person and by such other person, the deputy returning officer shall at once cause such applicant person's name to be added to the voters' list, with the word "sworn" written thereafter, and subject to the next following

subsection of this Act, such applicant person may thereupon vote.

I move to further amend clause 63, subclause (2) by adding in line 30 on page 44 of the Bill after the word "make" the following words:

including the name of the person who vouched for the applicant person.

Mr. PARDEE: Should not the person who vouches be an elector whose name appears on the voters' list?

Mr. GUTHRIE: You will find the word "elector" defined in the Act.

Mr. PARDEE: Elector means any person qualified to vote at a Dominion election, whether his name is or is not on any list of voters.

Mr. GUTHRIE: Perhaps voter would be better.

Mr. PARDEE: Yes; the definition of "voter" would cover the point.

Mr. MACKENZIE KING: I am not so sure that "voter" would be the best term to use in this connection. I think it would be better to use the word "elector," with the qualifying words: "whose name appears on the voters' list."

Mr. GUTHRIE: We had a discussion in our committee and we decided on the words "an elector who is a resident in such polling division."

Mr. PARDEE: "And whose name appears upon the list."

Mr. GUTHRIE: "Who is vouched for by an elector." What do you want in addition to that?

Mr. PARDEE: "Whose name appears upon the voters' list."

Mr. GUTHRIE: "And who is a resident?"

Mr. PARDEE: Yes.

Mr. GUTHRIE: The amendment will therefore read:

(1) At polling stations in rural polling divisions the deputy returning officer shall, while the poll is open if required by any person whose name is not on the voters' list and who is vouched for by an elector whose name appears upon a voters' list and who is a resident in such polling division, administer to such person oath number (1) in Form "Z" No. 1 of schedule one to this Act and such other person an oath in Form "Z" No. 2 of schedule one to this Act, and such oath having been taken by the applicant person and by such other person, the deputy returning officer shall at once cause such applicant person's name to be added to the voters' list, with the word "sworn" written thereafter, and subject to the next following subsection of this Act, such applicant person may thereupon vote.

[Mr. Guthrie.]

Then we will have to make another amendment if it is the intention of the form to cover two persons instead of one person. I move to further amend clause 63, subclause (2) by adding in line 30, on page 44 of the Bill, after the word "make" the following words: "including the name of the person who vouched for the applicant person."

Amendment agreed to.

Mr. GUTHRIE: I move that we return to the discussion of section 32 I think this leaves 32 and 19 practically the only undisposed of sections. If the Naturalization Act is passed it may be necessary to amend section 29 but in the meantime we can let it stand.

Motion agreed to

On section 32—preparation of lists of voters:

Mr. GUTHRIE: On section 32, I think it would be the wisest for us to pursue the policy as originally drawn and submitted to the House. It has been very carefully examined by the officers of the Government and by some gentlemen who are expert in such matters. There are clerical errors in it as printed. Some amendments will have to be made to the section. Some have already been suggested but the section is one which the Government will ask the House to adopt. It is true there have been a great many suggestions of various kinds. We had a conference of members representing both sides of the House with a view to seeing if we could not arrive at some satisfactory basis upon which we could all agree. Apparently that is not possible. The difficulties ahead of us are such that we cannot reconcile them all. I think it would be far better to adopt one general principle for the whole of Canada than to make exceptions here and there for this province or that province. The scheme which was originally adopted when the Bill was framed was to adopt a general principle throughout Canada. As the committee is aware, the principle upon which the Bill was framed was that all the provincial lists should be adopted on the basis of the franchise in any province where there was a provincial list not more than twelve months old. I think that was a good principle. But it has been pointed out that in one particular province there are five or six cities where there is not an annual list but

where there is a list prepared every two years and that is in the province of Quebec. It seems that in that province there is an annual list save in the case of five or six cities where there is only a biennial list. The hon. member for Three Rivers (Mr. Bureau) desires that difficulty to be obviated and I see no reason against doing it by making a general provision to the effect that we will accept as the basis of our franchise the lists of all the provinces were not more than two years old. If in any province there is no list which is not more than two years of age a new list will have to be prepared from beginning to end but if we have a list in any province not more than two years of age we will take that list as the basis, carrying it forward under the provisions of section 32 as laid down in this Act. It will give us uniformity in every province of Canada. The only question upon which I think there might be some criticism is perhaps on the question of expense. It is going to be a fairly expensive Act to administer but I believe it will give us as complete, as up to date and as honest and fair a voters' list as we have ever had in this country. For these reasons, if we have a little extra expense, we can well afford it. It is only every four or five years that the machinery under this Act is put in operation. Spread the expense over four or five years and it does not appear to be so great. Suggestions which were made when we had our conference in May were that in the rural divisions—not urban, because we propose no change there—but in rural divisions where there were lists in existence which were not more than two years of age there should be no registrar or enumerator appointed to prepare lists; in other words that we should adopt the provincial lists giving persons whose names had been omitted the right to appeal to the county judge or revising officer to have their names included but giving them the power which we undoubtedly give them under section 63 to go to the returning officer on election day, obtain a ballot and vote. That would relieve us of the necessity of appointing a large number of rural registrars. But if it should happen that an election came on when there were no lists under two years of age we would have to undergo the expense anyway. In twelve divisions and in the unorganized territories of Ontario; in some in Quebec; and in some in British Columbia we would have to undergo the expense anyway. Because in those cases they have no lists—no up-to-date lists—there is a floating population in those places and there must be an enumeration if—

Mr. GAUVREAU: There is no part of the province of Quebec in that condition now.

Mr. GUTHRIE: I understood there were two ridings in the province of Quebec as to which that was true?

Mr. GAUVREAU: A new law was passed last year.

Mr. GUTHRIE: One of the ridings that was mentioned to me was Gaspé. At any rate in the other provinces these difficulties would arise. I think it would be far better to adopt a general rule and a uniform practice namely, that where we have to prepare lists—whether or not there are provincial lists—there shall be registrars in the rural divisions to prepare them in accordance with section 32 as drawn, and that we follow the proceedings laid down under section 32 in regard to our urban lists as well. Then, with the amendments which I have to propose to that section we will have a reasonably workable procedure. I do not think it will be cumbersome, I do not think it will be difficult, so long as the proper preparation is made before the Act is launched and put in force. If we have a Chief Electoral Officer who understands his business, and who devotes a reasonable amount of time to the performance of his duties, there should be little or no difficulty in the administration of this Act. It will, of course, require some competent man to effect the organization because there will be a certain amount of organization wanted to gather information as to whether certain places are cities, towns or villages or rural divisions, also in regard to the payment of officials, and to exercise proper control of officials during an election. For that purpose we want a competent man. I have given this matter a great deal of consideration, I have heard many representations in regard to it, and I have come to the conclusion that our wisest and safest course is to adopt in principle the clause in the Bill as originally framed, though, as I say, there will be some minor amendments that I have to propose as the matter is considered.

Mr. MACKENZIE KING: I think we would all agree that it is desirable to have a general principle that would apply throughout Canada. Any difference there may be between the two sides will be as to what is the best principle. I understand the principle my hon. friend is laying down is that we shall have our lists pre-

pared by enumerators, adopting the system of enumerators throughout Canada in the preparation of voters' lists except where there are lists already in existence in which the public have confidence, and which could be used without additional cost in the preparation. I may say frankly to my hon. friend that I think nothing has created such distrust in the electoral machinery of the Government as the adoption of the system of enumeration under the War Time Elections Act. It was the most objectionable piece of legislation we have ever had in Canada and that particular feature of it was the most objectionable feature in the whole of that legislation. For the Government to propose now to make that the outstanding feature of this electoral machinery is going to create, it seems to me, thorough dissatisfaction and complete want of confidence in the purpose of the Government respecting this Bill. It may be that my hon. friend is prepared to give an interpretation as to what he means by provincial lists that may perhaps remove some of the objections that are in our minds to the proposal that he is now making. When he spoke at an earlier stage in the debate on this Bill, I asked in regard to the Ontario lists—in view of the new law that has been framed in Ontario—whether those lists if prepared during the course of the present year would be regarded as the provincial lists for Ontario within the meaning of this Bill. I think my hon. friend is on record in Hansard as answering in the affirmative. Well, if my hon. friend adheres to that interpretation I see no objection to what he is now proposing; but at a subsequent stage of the debate I think he rather departed—

Mr. GUTHRIE: I understood that Bill did not pass the Ontario House.

Mr. MACKENZIE KING: It has passed.

Mr. ROSS: Yes, it has passed.

Mr. MACKENZIE KING: The Bill is now law.

Mr. GUTHRIE: My hon. friend from Middlesex ought to know. Has he got a copy of the Bill as passed?

Mr. ROSS: Yes, I have a copy of the Bill as it passed its third reading, in my room.

Mr. GUTHRIE: I only got my information unofficially. I was told that the Bill was put off until next session.

Mr. ROSS: I understand that the Bill received its third reading.

Mr. GUTHRIE: Will you get a copy of it before we close the debate?

Mr. ROSS: Yes, I will get it for you.

Mr. MACKENZIE KING: I will make my point clear by way of illustration. Assuming that the Ontario Bill is passed and is law to-day the lists will have to be prepared every year for the different municipalities. Those lists will be prepared by officers under the electoral machinery provided in that Act. Lists will be available for municipal and also for provincial purposes, and these are lists that the public generally in the province will have confidence in. Now what we suggest is that the Government take those existing lists so prepared, as the basis for the federal list. If names are on that should not be on they will be struck off. If others have been omitted which should be on, they can be placed on the lists under the machinery that we have here; but if we duplicate the cost of the preparation of the lists for the whole of the province of Ontario at a time when we are trying to economize in the matter of the expenditure of public funds, we will do a thing which in itself will create a lack of confidence in the machinery of elections. If you take what is already in existence you thereby give bona fides to your legislation and you have a list which every one has confidence in.

Mr. SMITH: Whom would my hon. friend wipe off and put on the list?

Mr. MACKENZIE KING: That work would be done by the officers appointed by this Government. That is the point that I would like to make perfectly clear to my hon. friend.

Mr. GUTHRIE: There is not very much difference between us on this.

Mr. MACKENZIE KING: It comes to very little if it is a matter of interpretation.

Mr. GUTHRIE: Because if that is the provincial list it is adopted as the list by this very section, and you have the right under this section to add to or strike off. There is not very much between us in regard to Ontario but I understood that the list in question was not a provincial list, and I do not think we will go the length of saying that we will adopt a municipal list.

Mr. MACKENZIE KING: As I said to my hon. friend it comes down very much to a matter of interpretation. If my hon. friend is prepared to take the list that is prepared by the Provincial Government in

accordance with the machinery which they have provided—

Mr. GUTHRIE: With power to add to or take from.

Mr. MACKENZIE KING: With power to add to or take from—

Mr. GUTHRIE: Under the machinery provided by this Bill?

Mr. MACKENZIE KING: Under the machinery provided by this Bill—that will be perfectly acceptable to us.

Mr. GUTHRIE: Do you not think that is what the Bill means now?

Mr. MACKENZIE KING: I did think so until I heard my hon. friend, at a previous stage of the debate, give a different interpretation of the Bill. For example, I put a concrete question: Assuming that an election were to take place next fall. Then under this Bill as it at present stands the system of enumeration would apply generally throughout Ontario; the new lists would have to be prepared under it.

Mr. GUTHRIE: If the Ontario list was more than one year old.

Mr. MACKENZIE KING: Assuming that it was not more than a year old, and will not be until after November. If the election took place before November then we would have to use the lists that were used for the last provincial election, to be added to or taken from by virtue of the provisions of this Bill.

Mr. GUTHRIE: That is right.

Mr. MACKENZIE KING: Assume however the elections take place in the month of December would we then use the lists that would be prepared now under the Ontario Government's machinery—whatever provincial lists they would use if they were to have an election next year?

Mr. GUTHRIE: If they are provincial lists my answer is "Yes, as a basis."

Mr. MACKENZIE KING: Then the difference between us on a point that needs clearing up is this: Is my hon. friend prepared to accept, as an interpretation of the provincial lists, the lists that are prepared in accordance with the machinery set forth in the Ontario Act which have been completed, which are available, which can be obtained at any time, but which may not have been used in an election?

Mr. GUTHRIE: It is not necessary that they should have been used in an election. If thy are the proper provincial lists upon which an election could be held, I am willing to accept them as the basis in Ontario or in any other province; but I insist on the right to take from or add to those lists in accordance with section 32.

Mr. MACKENZIE KING: We on this side of the House will not take the slightest exception to the minister adding to or taking from any provincial lists. Let us be perfectly clear on that. All we are asking is that where the provincial lists exist they shall be used as a basis, and that using them as a basis the Government shall have power to take from or add to them under the provisions of this Act. We want to avoid duplication of these lists.

Mr. GUTHRIE: I would like to make it clear that the voters' lists we are speaking of are the provincial voters' lists. I was surprised a few days ago to hear that the Ontario Legislature had not passed their Franchise Bill.

Mr. ROSS: I wrote the provincial authorities for a copy of the Bill as it passed the third reading, but the copy sent me does not show whether it passed or not. I understood from the press that it had passed the third reading and was now the law of the province.

Mr. GUTHRIE: I think it is worth while to find out whether it was passed. The man who informed we should have known, and I was surprised when he said that it had been allowed to go over until next session.

Mr. EULER: If there should be two provincial lists, neither of which is two years old, the latest one is to be taken?

Mr. GUTHRIE: That is what the Act provides.

Mr. MACKENZIE KING: Am I right in assuming that this is what the minister is agreeable to? That the provincial lists to be accepted as the basis for federal elections are to be those prepared within two years of the date of the federal election in all provinces having such lists, the latest revision being used.

Mr. GUTHRIE: That is the exact provision of section 32.

Mr. MACKENZIE KING: Then the only point so far as the province of Ontario is concerned is the interpretation of the words "provincial lists."

Mr. GUTHRIE: If these are provincial lists, I will accept them, as that is the principle of the Bill.

Mr. MACKENZIE KING: As I understand, in Ontario these lists are made up every year, but if my hon. friend applies to "provincial lists" the interpretation that only those are provincial lists that have been already used in a provincial election, it would mean that in Ontario no provincial lists would be available for the purposes of this Act for another four years, and unnecessary duplication would result.

Mr. GUTHRIE: We can look at the language of the section:

> For the purposes of any Dominion election held within the limits of a province, the voters' lists shall, except as hereinafter provided, be those prepared and completed for the several polling divisions, under the laws of that

We make that two years.

> —immediately preceding the issue of the writ for such election, and which were, under such laws, in force, or had been last in force, for the purposes of provincial elections.

As long as they were in force for the purpose of provincial elections those lists would govern. It does not say they would have to have been used or voted on; so long as they are the legal lists for a provincial election, the last of them is binding on us as the basis of this Act. That would apply not only to Ontario but to every other province, and I am quite prepared to abide by that principle. Then, of course, the House understands that there is machinery for taking from or ading to those lists.

Mr. ROSS: As the Act remains now lists used in Ontario in 1919 would be in force for two years from that time.

Mr. GUTHRIE: I do not think your other lists can be prepared yet. The 1919 lists will be in force until next November.

Mr. ROSS: Then you are taking them as the basis of your lists in Ontario, and your registrars proceed to add to or strike off names from those lists. Even if the Bill has been passed in Ontario—and I think it has—the question arises, as my hon. leader has said, what are provincial lists? I do not think that the lists under the Act in Ontario will every year become provincial lists in the sense of section 32, because under the Ontario law, as submitted in the first place anyway, the municipal lists are taken as the basis of the provincial lists, but they do not become the provincial lists for the purpose of provincial elections until after they have been revised by a board of revisers, and that is only in case of a dissolution or a vacancy caused by death, and so on.

[Mr. Guthrie.]

Mr. GUTHRIE: I would prefer to revise them under the provisions of this law, of course.

Mr. ROSS: But does my hon. friend intend to take the lists as prepared under the Ontario Act if passed by the assessor, then by the Court of Revision of the municipality of the rural district, and then by the judge? Those would really be the provincial lists under the old law, because if there was no revision beyond that they used the lists which were in force sixty days from nomination day without further revision.

Mr. ARTHURS: Only in case the lists have been revised by the judge.

Mr. ROSS: Exactly.

Mr. PROULX: I understand that the Election Act passed by the Ontario Legislature last session provides for the use of the municipal lists with the addition of names by way of enumerators. If this Bill provided that the municipal lists used as the basis of the provincial lists could be adopted for Dominion elections, I think that would serve the purpose.

Mr. GUTHRIE: If we can see the Act and ascertain what the Ontario Legislature did pass perhaps we can form some idea. I confess that I have not a very good idea of what they did pass. I do not want to be bound by municipal lists. We propose by this section to be bound by provincial lists. If those are in fact provincial voters' lists we are bound by them; if they are not, we do not propose to be bound by them. That is the distinction. I made some inquiries—not very definite, perhaps —of a man who should know, and he told me that the Bill went over to next session, and I read something in the newspapers to the same effect. But I am informed that an Act was passed dealing with municipal elections.

Mr. MACKENZIE KING: I think we may take it for granted that if the Ontario Government has not passed the Bill referred to we shall have to accept the machinery that the Government may provide in this Act, but the question would come up the minute the Provincial Legislature passed the Bill next session. The point my hon. friend from Middlesex (Mr. Ross) has just brought out is that under the Ontario Act in any event when it is finally passed the lists which will be the basis there for the provincial elections will be lists made up by assessors of the various organized

districts—they will not be made up by nominees of the Government. Those lists will be made up every year, but once in four years they will be further revised for the purpose of a provincial election. Is my hon. friend prepared to take the lists that are made up each year by the assessors, and which are the basis of the Ontario provincial lists, and give to them the interpretation of Ontario provincial lists for the purpose of this Act? If he will, that is quite satisfactory to us, because it meets the point we are concerned about, namely, avoiding, if possible, the preparation of two sets of lists, and saving the expense which such preparation would involve. But if my hon. friend is going to put a narrow construction upon what is meant by provincial lists, and say that notwithstanding these lists are made up each year to be available for any election, he will give to the designation of "provincial lists" only when they have been revised by judges under a board established under the Act, for the purpose of provincial elections, that restricted interpretation of course would make those lists of no avail one way or the other. I tis just a question of whether my hon. friend places a broad or a narrow interpretation upon the words "provincial lists."

Mr. GUTHRIE: I would not like to confine myself to provincial lists until I know what they are. Heretofore provincial lists were not at all adapted to Parliamentary purposes; they did not contain the names. We have had all kinds of machinery for adding names to provincial lists. I have been informed that under the new Act a new system has been adopted to some extent; for instance, the names of women and of other people are included which formerly were not included. Really all the municipalities have to do for their own purposes is to get from the assessment rolls the names of the municipal electors. I do not know how far they will exert themselves to make what you might call a reasonably complete list of Parliamentary voters, men and women. If the list was for provincial purposes I know that there would be an effort to make it complete, but there would not be the same reason for the municipal officer getting that complete list. I have had some experience as a lawyer mixed up in municipal affairs. In township after township where the added names of manhood suffrage voters are from five to ten, the Court of Revision sits and brings the number up to forty or fifty. They are very careful to get the taxpayers; there are very few mistakes in that regard.

Mr. PARDEE: If, as the minister says, there is a desire to get on the provincial lists all the names possible, and if you take that provincial list as a basis, are you not as well served as the province?

Mr. GUTHRIE: I will take a provincial list because I know that it includes names which are not on the municipal lists. Up to this year the provincial lists did not contain the names of those who were not assessed, except where they have the manhood franchise voters. I have never had a chance of examining the new system; I do not know, as a matter of fact, what the municipal lists are at this date. The new municipal lists in my riding will not be published until September, October, or November. If these lists are provincial lists for the purpose of provincial elections we are bound under this section to adopt them as a basis. We have to-day the voters' list of Ontario which was voted upon last October. Until the 1st of November, approximately, that will be the basis of a new federal list. After that, unless there is a provincial list of voters in Ontario, we would have to make a new list.

Mr. CRERAR: That list would be good for two years, would it not, if you were going to make the change?

Mr. GUTHRIE: If we were making the change the old list would do for another year—a year from next November. I do not think anybody is wedded to that former list; they say that there were a tremendous number of omissions. I have not had much experience in connection with it, but I have heard a great many complaints. However, there it is; it will be the basis until a year from next November. If in the meantime the Government of Ontario sees fit, I do not care how, to adopt a new provincial list, then that will be the list, not the old one. I do not see how anything could be fairer. If they do have one, we adopt it; if they do not have one, we have to make one.

Mr. SINCLAIR (Guysborough): I think it is absolutely necessary to define what is meant by a provincial list; otherwise the meaning of this section will not be clear. For example, in Nova Scotia there is no provincial list in the sense that the province make the list. The Government of Nova Scotia do not make any list; they adopt the list made by the municipalities and by the cities. The towns and cities ap-

point revising boards; in the municipalities the municipal councils appoint boards to revise the lists. These lists are completed yearly on the fifth of April, and when so completed are the electoral lists for provincial elections as well as for town and municipal elections. Would the minister regard such a list as a provincial list?

Mr. GUTHRIE: A list used in Nova Scotia for a provincial election is the provincial list specified in this Bill, and no other.

Mr. SINCLAIR (Guysborough): Notwithstanding the fact that it is not made by the province?

Mr. GUTHRIE: If it is declared by the Provincial legislature to be the provincial voters' list and is adopted as such, it is the provincial list for the purposes of this Bill, I do not care who makes it. Now, with regard to the Ontario lists, it has been pointed out to me that this year no assessment has been made and no voters' list prepared in accordance with the Act.

Mr. ROSS: There would be two years from now.

Mr. GUTHRIE: The assessors and those who make up the rolls and lists in Ontario will not operate this year under the law that was passed this session by the Ontario legislature. They will not commence to make these lists until next spring and the lists will not be finally revised until well on in November or December of 1921. I do not think we should legislate now on a chance of their becoming the provincial voters' lists; they will not even become municipal voters' lists before that time. I think it is far safer to take it for granted that if an election should come in the near future we have the list that was used in Ontario last fall, which can be added to or taken from and brought up to date. If after two years an election comes and they have in Ontario a provincial voters' list, it would be the basis of any Dominion lists that had to be prepared. In regard to Nova Scotia, I do not think I can make it plainer that any list which the Legislature of Nova Scotia declares to be a provincial voters' list shall be the basis of this law, and we may add to it or take from it in accordance with the franchise given to the people by this Act.

Mr. MACKENZIE KING: What my hon. friend has just said about Ontario will meet us, I think, if I interpret his remarks aright. He says that so far as this year is concerned, until the end of October we of necessity use the last provincial list in Ontario. I do not think any one would suggest that we are seeking to meet a situation that may arise this year. Then, he says that if we go on until next year the assessors will have done their work under the Provincial Act, assuming that the Provincial Act has been passed.

Mr. GUTHRIE: It has been passed; I have a copy of it.

Mr. MACKENZIE KING: It has been passed; then we have that settled. The assessors then, will start to prepare the lists under the provisions of that Act

Mr. GUTHRIE: Next spring.

Mr. MACKENZIE KING: Yes. If the minister is agreeable to take these lists once they are completed and to regard them as provincial lists for the purposes of a Federal election, just as the Ontario Government are prepared to take them as the basis of the lists for the purposes of a provincial election, that will be quite satisfactory so far as we are concerned.

Mr. GUTHRIE: I cannot state that definitely. Between now and another session the Ontario Legislature may change all that, and there will be no provincial list.

Mr. MACKENZIE KING: I appreciate that.

Mr. GUTHRIE: The Bill as it stands gives all that my hon. friend desires; but because the Ontario Government has passed a law for the preparation of municipal lists next spring, I am not going to bind myself down to taking those municipal lists next spring. Next session the Ontario Legislature may declare a new franchise and new lists may be prepared. I am going to take their decision as to what are provincial lists and what are not. If we change this to two years from next November, we would be bound to accept the list of last fall in the province of Ontario. As the matter stands now, if the Ontario Government in the meantime has a list which is their provincial voters' list, we are bound to take that, and the same is true of every other province in the country.

Mr. MACKENZIE KING: Unless in the meantime the Government prepare a list under this Act. The point comes down simply to this one remaining consideration. As I have read the provisions of the Ontario Act, when an election is about to take place in Ontario, these lists that are prepared each year will be subject to further revision by some machinery that is in

that Act. The question I wish to ask my hon. friend is this. There may not be an election in Ontario for another three years; will he recognize as provincial lists these lists that are prepared by assessors under that Act in any period prior to that at which there had been a revision for the purposes of a provincial election? Will he take as a basis what Ontario is taking?

Mr. GUTHRIE: I cannot recognize as a provincial list any list which the legislature of the province does not recognize. I am going to be bound by what the legislature does in respect of its list. Any list which the legislature authorizes as the list of its province, I am going to accept, and I am not going to make an exception for any individual province.

Mr. ROSS: I have in my hand the Ontario Act, as printed before it reached the third reading, and I should like to point out how complete it is and how completely it meets my hon. friend's views as to what a provincial list should be.

Section 86 reads:

> In addition to the particulars required by the Assessment Act, to be entered upon the assessment roll, every assessor shall enter upon the roll the name of every person who is of the full age of twenty-one years, a British subject, and who has been a resident of Ontario for a period of nine months——

And so on.

Mr. GUTHRIE: My hon. friend will see that that will not do—nine months is different from our qualification.

Mr. ROSS: I think that has been changed to twelve. This is not the Bill as it passed the third reading, but I saw in the newspapers some reference to this qualification being changed to twelve months, so that there will be no difference. Section 88 reads:

> The list so prepared shall be subject to revision by the judge of the county court and shall be dealt with in all respects in the manner provided by the Ontario Voters' Lists Act.

That would be exactly the old list under which we had voted in provincial or federal elections. That list would be prepared by the assessors and revised by the judge, and provision is made in the new Act for exactly the same thing being done. That would be the list used for this Parliament if this new Act had not passed. But the new Ontario law goes further and says that after that is done, in case of a general election, a resignation or a death, there shall be a Board of Revision appointed, just like the amendment suggested by my hon. friend to clause 32. Those lists would really be as perfect lists as one could possibly get. The last election cost in Ontario over $500,000, and under the new scale of fees the cost would run up to $1,000,000. If my hon. friend's scheme as suggested on May 17 was carried out, all that expense would be saved, and a far simpler and a fairer method of preparing lists for the Dominion would be enacted.

Mr. GUTHRIE: As regards that, I think we are so near an agreement that we had better adopt the clause. I do not see that there is anything between us. If this be the provincial voters' list—and I assume, from what my hon. friend says, that it is—we are bound by it. If it be not, we are not bound by it. I am not going to be bound in Ontario by one thing that I am not bound by in the other provinces.

Mr. ROSS: Technically, it might not become a provincial list until after the revision.

Mr. GUTHRIE: Then, if it be not a provincial list we are not bound by it, and I cannot adopt it.

Mr. MACKENZIE KING: My hon. friend must surely see that the effect of the position he is now taking is simply to leave the whole matter in doubt, and that is the worst thing that could happen.

Mr. GUTHRIE: I will make it as plain as plain can be, that no list shall be adopted as a basis unless it be a provincial voters' list less than two years old; but I am certainly not going to have for Ontario a law that allows a municipal list when such lists are not allowed in the other provinces. I do not think in principle there is anything between us as regards what my hon. friend (Mr. Ross) has said. Undoubtedly, in my judgment, this list will be the Ontario voters' list; but, at this moment, I cannot say that it is. The list has not been prepared and, as a matter of fact, nothing has been done under the Act I am satisfied that this will be adopted by the province of Ontario as their system and their list, but I am not going to adopt the list until it is adopted by them.

Some hon. MEMBERS: Carried.

Mr. MACKENZIE KING: We on this side are anxious to facilitate the work of this Parliament and to avoid divisions if possible; but most certainly we are not going to let the electoral machinery of this country be left in a state of doubt if it be

possible to avoid that. If the minister says that there is only a difference of attitude or something of that kind between us, it should be very easy to make the position perfectly plain and beyond all doubt. We ought to realize that what we are now engaged upon is, perhaps, the most serious part of the work of this session, but it has been left to the very last minute to be taken up. I would direct the attention of the Government to the fact that they have allowed practically the whole session to pass without this Franchise Act being completed; notwithstanding I said at the beginning of the session, we hoped that the Government would bring down their legislation so as to give ample time for discussion and consideration. But now when we are seeking to get through at the very end of the session, this clause, which is the mo t important of all the clauses of the Bill, has been left, apparently to be driven through by a number of hon. members calling out "carried, carried." The clause is not going to be carried in that fashion without a very strong protest and all the effort the Opposition can put forward to prevent it. My hon. friend, if he wishes, in committee now, to take a reasonable attitude and deal with hon. members on this side as members of Parliament should be dealt with, can expect to get his clause through with very little discussion if we are as near together as he says we are. But if he is unwilling to do that, if he is simply going to say: "I will not do this; I will not do that; I will not place any interpretation here or there," he may expect to find this House divided very sharply on this all-important question, and I think he will find that the people in the country are distinctly in sympathy with members of the House who are trying to get a fair, honourable and straightforward Election Act.

5 p.m.

Mr. ARMSTRONG (Lambton East): Would my hon. friend be good enough to place before the committee an amendment to the clause along the lines that he has suggested?

Mr. MACKENZIE KING: I am seeking to avoid an amendment; I am trying to get an agreement. We are in committee at the present time; and if the committee can agree, I think my hon. friend would agree with me in saying that greater confidence will be established throughout the country in the electoral machinery than if we have to divide on this particular Bill. I am seeking to avoid a division by asking each side to be reasonable; but if hon. gentlemen opposite are unwilling to place an interpretation that is fair and that can readily be given, if there are no bona fides in the whole transaction—

Mr. GUTHRIE: What interpretation does my hon. friend suggest? Let us get down to facts.

Mr. MACKENZIE KING: There are three stages mentioned in the Ontario Act for the preparation of lists. The first is that the assessors make up the lists of the municipalities. The second is that those lists are revised by a judge who constitutes a court of revision. That process is gone through every year. The third is that revision is again made by a Board of Revision before an election. If my hon. friends opposite are prepared to say that when that revision has been made by a Court of Revision, those are provincial lists for the province of Ontario, we have nothing further to say and we shall agree with them absolutely at that point.

Mr. GUTHRIE: But they are not provincial lists.

Mr. MACKENZIE KING: Then, why does my hon. friend pretend—

Mr. GUTHRIE: The fact is that they are not provincial lists; they are municipal lists.

Mr. MACKENZIE KING: Will my hon. friend tell me when they become provincial lists?

Mr. GUTHRIE: When they are declared so by the legislature of Ontario. My hon. friend, I think, is most unreasonable. He wants me to say that a certain list is a provincial list when it is not. That is what he is asking me to do; whereas, what he ought to ask me to do, if he is honest in his request, is to adopt the provincial list of Ontario. We have had this Bill before Parliament for months; it has been in committee time and again; and we have had the fullest opportunity for discussion. We have had private interviews and formal conferences; this Bill has been pretty well threshed out line by line; and no one can say that anybody is trying to force it through. The fullest and freest opportunity has been given for debate and discussion and the most careful consideration, and we have come to the point now where my hon. friend asks me to make a declaration that is not true in order to pass my Bill, to say that this is a provincial list when the law says

it is not. If the Ontario Government says it is a provincial list I am bound by that and I do the same in regard to every other province.

Mr. MACKENZIE KING: My hon. friend says that we have had ample time for discussion, but he knows as well as every other hon. member knows that this section, which is the most contentious, we have not discussed at all.

Mr. GUTHRIE: We will see that there is ample time now for discussion; you will have the fullest opportunity.

Mr. MACKENZIE KING: And we will take care to have it. I want to make perfectly plain this fact, that so far as names or designations are concerned, we do not care a rap what you call a provincial list. But this is the principle we stand for: that if it is possible in the province of Ontario and other provinces to avoid the expense of making duplicate election lists and appointing an army of enumerators running into thousands—

Mr. GUTHRIE: Now you are adding to it. You offered a moment ago that if I would declare your lists to be provincial lists you would accept the clause. Now you are introducing an army of enumerators.

Mr. MACKENZIE KING: I would point out that my hon. friend is unwilling to accept as a basis lists that are already prepared, whereas, if he adopted those lists, we would have no army of enumerators.

Mr. GUTHRIE: I would have to have the enumerators just the same.

Mr. MACKENZIE KING: If my hon. friend takes the lists prepared by the assessors of Ontario for every municipality, lists that have been revised by courts of revision and that are now printed—

Mr. GUTHRIE: That would only be a basis; nothing more.

Mr. MACKENZIE KING: If he takes those lists as a basis for federal purposes, does he mean to say that he will not save thousands of dollars?

Mr. GUTHRIE: I would have to appoint the enumerators under this clause just the same.

Mr. MACKENZIE KING: Why, they would not have the work to do. They would take those lists as a basis and either add to or subtract from them as the case might be. But my hon. friend will not adopt the method I advocate.

Mr. GUTHRIE: I cannot take the municipal list as a basis; I am free to say that.

Mr. MACKENZIE KING: Let us, then, understand each other. My hon. friend, although he talks about provincial lists, does not intend to take, as a basis for federal purposes, lists which are prepared by the assessors of the different municipalities and revised by the courts of revision and which are available in printed form year by year irrespective of any election. We say that he should accept those lists for three reasons. In the first place, the list are prepared, not by partisans but by regular officers of the municipality, in whom the electors have confidence. Secondly, all the work has already been done, and duplication, which is wholly unnecessary, could be avoided by their adoption; and, in the third place, power is left with the Government, if these lists are not complete, to add or take from them.

Mr. LALOR: Who would do it?

Mr. MACKENZIE KING: The additions and deletions would be made by registrars appointed by the Government itself. We do not purpose to take from the Government the use of this machinery; it is left where necessary as it is. All we ask is that the Government adopt as a basis what has already been prepared at great expense. But when my hon. friend refuses to accept as a basis all these lists that have been made by the assessors and revised by courts of revision—when he refuses to use these lists for federal purposes, his refusal is tantamount to saying: "What I want to do is to appoint an army of enumerators and send them to make fresh lists irrespective of any lists that already exist, so that all the electors will have to be put on lists prepared by my own appointees." That is an outrageous position for the Government to take, in view of the kind of frauds which we have experienced under the War-time Elections Act, and all the lack of confidence in electoral machinery which that Act has created. My hon. friend purposes to adopt exactly the same kind of machinery as was put into operation under the War-time Elections Act. As I have said several times —and every one throughout the country will endorse the statement—there never was a piece of legislation as iniquitous and fraudulent as that Act; and for the Government to ask us to-day to accept for purposes of a federal election lists made up in accordance with such provisions is eminently unfair, not to mention the fact that

it will involve the Dominion in expenses running into millions of dollars which should be saved at this time. More than that, lists prepared in that way will create a lack of confidence in the results of any election that may take place under them and will add to the unrest that exists in this country in matters appertaining to Government and the authority of Government. What we on this side are trying to do is to restore in the public mind confidence in our parliamentary institutions; for that is the chief essential in Canada to-day. It is needed above everything else, not only here but elsewhere. Nothing is more necessary in the world to-day than confidence in government. Parliamentary institutions have been shaken to their very foundations through the war; and it has been by means of such machinery as the War-time Elections Act that the confidence of the people in this Parliament has been undermined. We now say to the Government: You have an opportunity to-day to restore public confidence in our parliamentary institutions, and you can do much if you will be honest and straightforward and give to the public lists which they can see for themselves are fair and just, lists that avoid duplication and create no shadow of mistrust one way or the other. That is why we at this time stand strongly on this question, and say to hon. gentlemen opposite, as forcibly as we can, that they owe it to the country to see that no step is avoided to-day which will help to restore the confidence of the people in their political institutions. If the people have not confidence in Parliament and in the representatives whom they send to Parliament; if they are led to believe that representatives returned here come in by means of some fradulent machinery operated by creatures of the Government, who have prepared lists that will send certain representatives to this House, you are simply paving the way to an unrest such as has not been known in years past. The people are dissatisfied with this Government and with Parliament. They want a new Parliament; but they want a new Parliament chosen under lists which they believe to be fair and just and right. And I say again to my hon. friend that he has an opportunity to-day to restore the confidence of the people in our parliamentary institutions. If he does not take steps to do so he will have not only to shoulder responsibility for neglect when he faces the people at the polls, but also responsibility for all kinds of possible evil consequences.

Mr. BURNHAM: Do I understand that the leader of the Opposition, whilst having no confidence in this Parliament and particularly in those who sit on this side, has perfect confidence in the assessors and in the municipal lists? He has perfect confidence in the court of revision; he has perfect confidence in the assessors; he has perfect confidence in the Provincial Government—it is only this Parliament that is perfectly rotten.

Mr. MACKENZIE KING: Let me make my position perfectly plain. I want to show my hon. friend that neither he nor I need have confidence in the municipal lists or in the provincial government, for the reason that we are reserving to this Government the right to revise all these lists. All we ask them to do is to take those lists as a basis for federal purposes. They are there in black and white, and if a man saw his name on the list he would know he was going to have a right to vote. He will not know the interpretation that my hon. friend is placing upon matters. The elector may think that as his name is on the provincial list it is not necessary to put it on any other list. But my hon. friend says no, we are going to have our own appointees to prepare the lists and the name of any man already on the list may be left off. As long as you have the right to revise the list what possible argument can be offered against accepting the provincial list as a basis?

Mr. BURNHAM: Does the leader of the Opposition say that his is a more reliable procedure than that which is proposed here and does he regard the municipal assessors and clerks as more trustworthy than the members of the House of Commons? He praises the former but condemns the latter.

Mr. CALDER: I am afraid we are working at cross purposes. If I follow the leader of the Opposition in his argument, I understand his position to be that if we accept the municipal lists of Ontario as the basis for revision he will be satisfied. That is just what it means. How is that revision to take place; who is to do the revising in so far as the rural districts are concerned? Does the hon. gentleman mean that he is quite prepared to accept the principal that the registrars or enumerators should be appointed for rural polls and these registrars should take these municipal lists as the basis of the new lists which are to be made? Does he mean then that these lists must

be accepted and that they can only be altered by having application made to add names to them or to have names struck off? Is that what the hon. gentleman means?

Mr. MACKENZIE KING: I mean that these lists are to be taken as the basis. If they are not correct then revision should be made in accordance with the provisions that are set forth in this Bill. The Bill provides for courts of revision in urban centres. It provides for judges who are not officers named by the Government but who are recognized by the community as apart from politics.

Mr. CALDER: If I understand the hon. gentleman he is opposed to the appointment of any registrars or enumerators in so far as the rural polls in Ontario are concerned?

Mr. MACKENZIE KING: Certainly I am opposed to the appointment of enumerators or registrars wherever it is possible to avoid it. The Government has the machinery which will enable it to get rid of this class of special officer for the purpose of preparing electoral lists. If they will accept the class of public official in whom the public have confidence for the purpose of revision I have no objection to any fair revision that is carried out with officers of that class.

Mr. CALDER: That system is not applicable to rural districts.

Mr. MACKENZIE KING: It might be made applicable, and if these provincial lists are to be used as the basis and are made with that completeness with which they should be made under this Ontario Act there will be no difficulty in adopting that system. We have agreed to allow in rural districts a man whose name is not on the list to appear at the poll and, if he is vouched for by one individual on election day, cast his vote. If that right is given why should there be all the duplication of expense and the vast uncertainty involved in the preparation of a second list? One can only believe that the Government must be actuated by one of two reasons in the stand which it takes in regard to this matter. One is that the Government wants a lot of patronage at election time so as to be able to give men little, petty jobs and cause them to fall into line. The other is that they wish in some way to confuse the electors so that men who have been put on these provincial lists will think their names are still on, but will find on election day that the provincial list is not used at all and that it is only the list prepared by the registrar that is to be used as the basis for voting. Anything that is going to create a lack of confidence or a lack of certainty in the mind of the electorate is going to lead to the feeling that Parliament is not truly representative of the will of the people. Anything that the Government can do to establish confidence and to effect economy in the preparation of the voters' lists is most necessary at this time.

Mr. FORTIER: I am of the opinion that in so far as it is possible the lists of each province should be adopted as final. They are recognized as fair and just. I am led to this conclusion because of the circumstances in the constituency which I represent. In my opinion the list of each province should be adopted as final for federal purposes and we should get rid of enumerators or registrars. My reason for this proposition is that I recognize the lists of each province as fair and just and that they have been carefully prepared by the proper authority in each province. By adopting these provincial lists we will save great expense and in the end we will have a fair list. The Acting Solicitor General tells us that the Government want to adopt provincial lists as a basis for the federal lists in each constituency. I do not understand what he means by our adopting those lists as a basis; does he want us to believe that these lists will be taken as original lists? Take for example a list that has been prepared in the province of Quebec and on which the names of men only appear as voters. Then I say that if there are 200 names on this list the enumerator or the registrar will be called upon to place on that list at least 100 or 150 names of women. I do not think that in such circumstances that you could possibly take the list prepared in the province of Quebec as a basis for the federal voters' lists. I have been opposed to woman suffrage; I am still opposed to it and I think the public sentiment of the province of Quebec is against it. In the preparation of these federal lists I think we should look to what has already been decided upon by each province in respect to this list and adopt the provincial lists as final.

Mr. PARDEE: Would the minister not consider the fact that in the final analysis if this list having your own board or appointees to hear the appeals you would be amply protected? As I understand it, the lists in Nova Scotia are called provincial lists, while the lists in Ontario are called muni-

cipal lists. They are the same thing. If you were to take the provincial lists as they are now, no matter by what name you call them, and you appoint your own board to revise those lists how can the Government possibly be prejudiced? Would the minister not be saved a lot of trouble by simply accepting those lists? Let them be treated as the lists for federal purposes and let us go on using them. It appears to me that would be the proper thing to do. The minister says we are not very far apart and yet we are. When we come to analyse the matter, it simply means that the whole difference is as between a provincial list and a municipal list; but if upon that municipal list elections are to be held the only difference between us now is the fact that such lists are municipal lists until an election is held upon them. Then they are regarded as provincial lists. Well, in what respect does that matter, because the whole of the necessary process has been gone through to put them in the shape of provincial lists and they are only municipal lists in name only. The sole difference between us appears to be that an election must be held upon them.

Mr. GUTHRIE: There is more than that.

Mr. PARDEE: Let me suggest to the minister that if he appoints his own board, if he revises those lists—after having been already revised under the Ontario Act—surely he has riveted, and doubly riveted—every advantage he could possibly have, and furthermore he is saving a lot of trouble and expense. He will have the power to add to or subtract from that list; and furthermore, as pointed out by the leader of the Opposition, where an elector has been left off the list one man can now vouch for him and enable him to vote. I cannot see the force of the ministers argument. I cannot see what objection there can be to saying that these lists shall be provincial lists after they have been completed by the municipalities and that they shall then be regarded as Ontario lists.

Mr. ARTHURS: Even the Ontario Government itself does not at present accept those lists as provincial lists.

Mr. GUTHRIE: My hon. friend and I do not view this question from the same angle.

Mr. PARDEE: Perhaps not.

Mr. GUTHRIE: The leader of the Opposition suggested a few minutes ago that we should allow one man instead of two to do the vouching for a voter and that has been passed. As I understand, the section was put in to safeguard the rights and interests of hon. members opposite, not the interests of hon. gentlemen on this side. The suggestion was that on this side we had the machinery and we had the officials and the provision in question was adopted to guard against any wrong doing on their part. The safeguard was certainly not to protect any interests of hon. gentlemen on this side; it was adopted to protect the interests of hon. gentlemen opposite

Now the point at issue between us at the present time is this: Before the Ontario Voters' List Act was brought in at the recent session of the legislature, our Bill was introduced into this House, and certain sections from our Bill were copied into the provincial enactment. We started on the principle that we would adopt the provincial lists and we abide by it. If the Ontario Government have not a provincial list how can we remedy that? And they have not. My hon. friend even says they have not; I am able to take it for granted that they have not. My hon. friend says that in all the other provinces it is all right to adopt the provincial lists, but there is not one in Ontario so therefore in that province we should take the municipal lists. I would not be opposed to taking a municipal list if there was such a thing, but there is not, and there will be no municipal lists until a year from next autumn. Those lists will not possibly even be revised until a year from next December.

Mr. ROSS: The returns are usually in by the 15th of April.

Mr. GUTHRIE: They may get some of them but in some instances the revision does not take place until June, and in others not until July or August, and when there is delay the work is thrown over until September or October.

Mr. MACKENZIE KING: Why does the minister object if the preparation of the lists are going to occupy that long?

Mr. GUTHRIE: In all human probability there would not be a provincial list available for general elections purposes this year if required. I do not want to make exceptions. I do not see why we should declare for the principle of adopting provincial voters lists for federal purposes and then make an exception because one province, knowing that, says "We shall not have provincial voters' lists and there-

fore we must prepare our own lists." Still, I would have no objection to adopting the list prepared under the Ontario legislation of last session with this provision: That in all other respects we add to or take from them by virtue of the provisions of section 32. Now under section 32 there is no power of revision in rural communities, that power is given only in urban districts. The only power that can add to or take from the lists in a rural community is the rural registrar. With the provisions of section 32 remaining intact in that respect I would not object to taking such voters' lists as are prepared under the Act recently passed by the Ontario Legislature, provided that at any time there are such lists that could be made available here. But honestly I do not know how you are going to define such lists. When do the first lists that could be available come into force? I am satisfied they do not come into force until a year from next autumn which would be 1921. Then if an election were held between 1921 and 1923 those lists might be used as a basis for federal lists, and if the same power were given, as is given under section 32, to add to or take from them, I would not be opposed to accepting that list, but I would not call them municipal lists. It was suggested to me that such a list might be called a list which was to be the basis of a provincial list.

Mr. ROSS: Exactly.

Mr. GUTHRIE: I would not have any objection to that. But let us be clear on this point. I think I rather misunderstood what my hon. friend said in the first instance. If he now thinks that is going to avoid the appointment of rural registrars he is very much mistaken, because the rural registrars are the men who are to add to and take from the lists.

Mr. MACKENZIE KING: As I said a moment ago the question of phraseology is quite secondary.

Mr. GUTHRIE: I would like you to suggest your phraseology because for the life of me I do not see how you are going to frame it.

Mr. MACKENZIE KING: I would be very glad to make a suggestion. I think if the minister will add just a paragraph to section 32—or he could put it in the interpretation clause if he likes—that "provincial lists" for the province of Ontario shall mean the lists that have been prepared by the assessors and revised by the courts of revision;—that will cover all that I have in mind on this point. I think that goes as far as my hon. friend considers now that he has a right to go.

Mr. GUTHRIE: Any language such as my hon. friend has just suggested would not be of any use at all. We would then find ourselves in the predicament that there would be no lists of that kind available, and then we would have to start at the preparation of the lists de novo.

Mr. MACKENZIE KING: If the lists are available why is my hon. friend objecting?

Mr. GUTHRIE: If we are going to accomplish our purpose we must frame a language that will mean something. There must be some particular list in view or we will land nowhere. How would my hon. friend deal with language such as this, which is clear and distinct:

> For the purposes of any Dominion election held within the limits of a province the voters' lists shall be those prepared and completed for the several polling divisions under the laws of that province within two years immediately preceding the issue of the Writ for such election and which were, under such laws in force, or had been last in force, for the purpose of provincial elections.

Now what change would my hon. friend make?

Mr. MACKENZIE KING: I should add words to the effect that they shall be deemed to be in force if they have been prepared by the assessors and revised by the courts of revision as set forth in the provincial law. The only point of difference between us, as has often been said from this side, is this: If my hon. friend says that these lists "are in force" only when they have once been used for a provincial election it is perfectly obvious it will be four years before any advantage can be taken of the lists as prepared under the Ontario Act. On the other hand if he does not place that interpretation upon the provision but will take as a basis for the federal lists the lists that have been made up by the assessors and revised by these courts of revision, that meets our point.

Mr. GUTHRIE: Those lists would not be a basis. Because my hon. friend will see that they are not the provincial voters' lists. Under the Ontario Act the lists he refers to are not provincial voters' lists. They have to be further revised. It is notorious, it is well understood, that the municipal lists do not include parliamentary voters. It is supposed that the assessor will cover all the voters that he can but he does not exert

himself to do so; the predominant idea with him is to gather a list of municipal voters. Those lists do not become provincial lists until they are finally revised for that purpose. What my hon. friend asks me to do is to accept lists which the Ontario Government may regard as a basis for the provincial lists, but they are not in the true sense of the term such lists as would form a basis for a federal voters' list.

Mr. MACKENZIE KING: Are we going to have municipal lists in the other provinces? I think no exception would be taken in the other provinces.

Mr. GUTHRIE: I cannot agree to that. The only reason I considered it in this case is because the Ontario Legislature has in its wisdom not seen fit for some purposes to have provincial voters' lists. But if this means throughout Canada that you are going to adopt some other principle, and change the principle of the Bill which we have discussed here for some three or four months, I cannot agree.

Mr. ROSS: Would it not be possible for my hon. friend to adopt some such provision in regard to amending these incomplete lists, as was suggested in page 3 of the memorandum. There does not seem to be very much difference between us here. If my hon. friend insists upon the appointment of enumerators all over the province of Ontario, it does not seem to me that we shall be saving expense. If he is willing to take what he says in the assessment roll prepared by the assessor and revised by the municipal court of revision and then by the judge, as under the old Ontario law, and to change the phraseology and take that as the basis of the provincial lists, he will then have complete lists, and he can have them revised as the Ontario Act provides by the board of revision, or if that is unsatisfactory to him he can have them revised in accordance with his own suggestions as extended on Hansard of May 17. If the reviser in a neighbouring urban—

Mr. GUTHRIE: That was before you threw in the monkey wrench.

Mr. ROSS: I did not throw in the monkey wrench. My hon. friend said he was willing to receive suggestions, and the suggestion I have just put forward was made by the gentleman whom my hon. friend left in charge of the conference which I attended. Any monkey wrench came from the other side of the House. But that is not the point. If my hon. friend is willing to take what he has just suggested as the basis of the lists, what is it going to mean? It means having enumerators appointed in every electoral district to the number of fifty or a hundred, to add probably in one polling subdivision two or three names, and in other subdivisions none at all, and he will have to pay them from $50 to $100 apiece. Why cannot he adopt his own suggestion and say that those lists shall be taken and named as he said they might be named and revised by a revising officer appointed by him in the urban municipalities? He will save a lot of trouble, and the impression will go abroad throughout the country that he is trying to prepare fair and honest lists, and he will accomplish everything he is attempting to do under the Act.

Mr. ARTHURS: I do not think the hon. member for Middlesex (Mr. Ross) is attempting to mislead the House, but he knows as well as any hon. member from Ontario that at the present time less than one-half of the electors are on the provincial lists. No women are included except property owners and tax-payers. The Ontario Government repealed part 3 of the municipal owners' lists which did contain a considerable percentage of Dominion voters. At the present time the only ones whose names appear on those lists are the tax-payers of the municipality. The same thing will apply next year in spite of the fact that the Ontario Government has passed a Voters' List Bill. The Act does not apply until December of next year, and in the meantime we will have voters' lists exactly similar to those which we have at the present time. It would be absolutely foolish to attempt to add to those lists fully 50 per cent of the names that should be on them for federal election purposes by having those people go to some urban municipality many miles away. In Northern Ontario it would be absolutely impossible to carry on in that way. The lists prepared years ago in the province of Ontario were very good lists and very little work would be required to complete them, but to amend the present lists is out of the question.

Mr. SMITH: The Court of Revision deals with the assessment roll, and the roll is completed and returned to the council, then it is printed and published and appeals can be made to the county judge. No appeals may ever be put in. But no one will pretend to say that the names of all the electors are on that list. Then who is going to put them on? The whole point seems to me to hinge upon this: Who will do that

work? My hon. friends on the other side say it can be done a great deal cheaper as they suggest; I doubt it very much. The leader of the Opposition must surely be mistaken when he states that the election of 1917 was a fraudulent one.

Mr. MACKENZIE KING: Oh, no.

Mr. SMITH: I think I know just as much as he does about that election, and I throw back the insinuation. I say if there ever was a fair vote it was in the election of 1917.

Mr. BUREAU: The people were not given a chance to poll their votes. It was a robbery. Call it by its name

Mr. PARDEE: As I understand, the minister says he would be willing under certain circumstances to accept the municipal lists as the basis. If he did accept those lists—and the municipal lists I am speaking of now are complete in all details, having gone before the Court of Revision judge—the Government would then only need to appoint one registrar in each riding to be the final Court of Revision to add to or subtract from those lists as made up.

Mr. GUTHRIE: I do not want it to be understood that I ever said I would accept municipal lists.

Mr. PARDEE: I was not putting words in your mouth. I said I "understood."

Mr. GUTHRIE: I am opposed to municipal lists. But there is this to be said: under the Act which was passed at the last session of the Ontario Legislature, intituled "An Act respecting Elections and the preparation of Provincial Voters' Lists," and the short title of which is, "The Election Laws Amendment Act," the lists to be prepared apply to provincial elections. But I do not think we should be asked to accept half-baked lists. There are the lists made by the assessors the preparation of which will be started next spring, and they will be revised by the Court of Revision in the municipality and by the county judge; those are your municipal lists. But those are not provincial lists under this Act.

Mr. COPP: When do they become provincial lists?

Mr. GUTHRIE: After they have been further revised by the Board of Revisers under this Ontario Act, that is prior to a provincial election; and the revisers have not yet been appointed. Now, my hon. friend from West Middlesex (Mr. Ross) insisted on the same thing during the previous debate. He said, "I want you to accept these municipal lists in Ontario." That makes an exception as against all the other provinces and changes the principle of our Act. Why should we do it in Ontario? We have at this moment the provincial voters' lists which were voted on last October, they will be good under this law for two years. We will have to accept them as the basis for the next two years—

Mr. COPP: Will my hon. friend permit me a question? At the end of two years when the present election law is superseded, and there is no election in the province of Ontario, have we any lists for that province? I am asking for information.

Mr. GUTHRIE: I do not know whether we will or not. It depends how they work under this Act, whether they want a provincial election or not. I do not know what the Drury Government intend to do. But if there are no lists, we have to prepare them under section 32; and if there are lists, we have to adopt them under that section. But in the meantime I cannot see any good ground for saying, "You shall take what is not yet prepared, but which we hope next year will be prepared, and which will be only municipal lists." Where I met my hon. friend, and where I though perhaps we were together at one time was this: that if we accept those lists in future in Ontario—lists that do not exist now, and which at the end of next year will be municipal lists pure and simple—if we accept those as the basis, we know they will not be complete for federal purposes, and they should be subject to the revision provided by section 32, which involves the appointment of rural registrars to do that work. In cities, towns and villages we follow the Act exactly.

Mr. MACKENZIE KING: Do I understand, then, that if we on this side are agreeable to the minister's appointing his own registrars to revise the lists, whatever lists they may be, he will agree to accept as lists, so far as Ontario is concerned, the municipal lists prepared under the Ontario laws.

Mr. GUTHRIE: I will not call them municipal lists.

Mr. MACKENZIE KING: Let me put it in another way. The Ontario law is a law providing lists for electoral purposes. In the operation of that law there are three stages in the preparation of lists so far as the procedure is concerned. There is first the preparation by assessors, then the revision by a court of revision, and finally re-

vision before an election. The Drury Government came into office in 1919; it will continue in office for four years, say until 1923. If my hon. friend regards as provincial lists in Ontario only lists that are made available for an election in Ontario, then the Ontario lists will be of no service so far as a Dominion election is concerned; it will be 1923 before the Ontario lists will have any significance one way or the other.

Mr. GUTHRIE: That would be about right, would it not?

Mr. MACKENZIE KING: It might from the point of view of some hon. gentlemen opposite; I do not think it would from the point of view of the country and its interests. On the other hand, if my hon. friend is prepared to take the lists as prepared by the assessors under this Provincial Act and revised by courts of revision, that being an annual process, and to regard that annual list as the basis for the purposes of a federal election, being the basis of the provincial lists under the Ontario Act, as I understand it—if my hon. friend will do that we will meet him on the point of allowing him to choose his own revising officers. That will bring us both together, we on our side conceding that the Government shall appoint its own revising officers and the Government meeting us to the extent of using as a basis for revision the lists as prepared under this Act and revised according to the stages I have mentioned. There is this limitation, however: I think my hon. friend will feel it to be in the public interest that some limit be placed on the number of registrars who shall be required for the purpose of revising these lists. My hon. friend from Lambton (Mr. Pardee) has suggested that there be one registrar for the revision of lists in each electoral district. That would limit the number and would certainly help to create public confidence.

Mr. GUTHRIE: I do not think my hon. friend has considered the working out of this proposed machinery. One man would not have a chance at all. We tried it in British Columbia last fall. As a rule, when people are required to do a thing within a certain number of days they wait until the last day and the result is that the courts are overcrowded, the people cannot get their applications in and consequently do not get their names on the list. I do not believe that you could get along with less than one man for each rural polling subdivision, assuming, as I assume that there will be from three to four hundred names to the division, including the names of women, of course.



All these officials will have to be there; whether you work them the whole of the four or the five days is anoter matter. You might cut down the number of days that they shall sit, reducing the expense by half. The Act provides five days; that may be too long; they might do it in two days or in three days at most. But I do not think that you can have less than one to each polling subdivision if you are to have regard at all to the rights and convenience of the people. I am willing to try to frame a clause on the lines suggested by my hon. friend (Mr. Mackenzie King) expressly on the condition that the list that we recognize as a basic list is a provincial list, though only in course of preparation, not finally completed for provincial purposes. But I will not recognize a proposal that involves our accepting municipal lists as a basis, because if that principle is applied to one part of Canada I do not see why you should not apply it to every part of Canada. I do not think it is a proper principle. I think we may frame a clause which will get around the difficulty as respects Ontario, by assuming that at a certain stage these lists are provincial lists, prepared under this provincial Act. But I would insist, for my part, that the whole machinery of section 32 be the machinery employed for the revision; I believe it is the only satisfactory machinery we can get. It is going to cost some money, but I believe it will give us as nearly perfect a voters' list as we have ever had in this country.

Mr. SINCLAIR (Guysborough): I wish to remind my hon. friend of a point raised by the member for Shelburne and Queen's (Mr. Fielding) with regard to Nova Scotia—a point which applies, I believe, as well to New Brunswick and to British Columbia. The suggestion is that where there are existing lists, made within a year, there should not be a second revision. I should like to direct the attention of the Prime Minister to this matter. We have had this system in Nova Scotia and New Brunswick for many years and it has worked very well. It is absolutely unnecessary that we should have a second revision. I have already mentioned that on the 5th day of April of each year we have a complete electoral list for the province containing the names of all those who are entitled to vote male and female, in provincial elections. The same lists can be adopted for the Dominion, for the franchises are practically the same. Why should we be put to the expense and the trouble of a

second revision? The expense is a large item. It has been estimated that in each riding it will cost the Government at least $4,000. It will cost the candidates and the people who are looking after the revision on both sides a very large sum in addition to that. But taking the estimate of $4,000 for each riding, the cost of such a revision in Nova Scotia would be $64,000—money aboslutely thrown away. These provincial lists should be accepted and persons in rural districts who come of age after the 5th day of April in any year in which there is a Dominion election may go to the polling booth, take the necessary affidavit and vote, even if their names are not on the lists. The member for Shelburne and Queen's is not here at present, but he made this suggestion and proposed an amendment at the time which he intended to move on the third reading of the Bill. I trust that this matter will not be lost sight of.

Mr. BUREAU: In the cities of Montreal, Quebec, Three Rivers, Sherbrooke, St. Hyacinthe, Hull and Valleyfield, the lists are revised every two years; in rural municipalities in the province of Quebec they are revised every year between September and November. These lists, I understand, are to be taken as a basis. They are to be handed to whatever officer is appointed to deal with them, and to these lists will be added the names of those who should go on, and from them will be struck off the names of those who, it is claimed, are not entitled to vote. But these lists, I understand, shall be the basis?

Mr. GUTHRIE: When the matter was up before, my hon. friend (Mr. Bureau) stated to me, I think, publicly, the fact that if we made this two years, he saw no objection. We are making it two years, to make it conform.

Mr. BUREAU: I was absent when this matter came up and I wanted to make sure.

Mr. EULER: As regards the Ontario situation, there is very little difference between the view of the minister (Mr. Guthrie) and that of the leader of the Opposition (Mr. Mackenzie King). As I understand the situation, if the Provincial Government has adopted certain lists, those lists shall be accepted by the Dominion for two years.

Mr. GUTHRIE: As a basis.

Mr. EULER: As a basis. Then, the succeeding years have been the source of difference, the leader of the Opposition contending that for succeeding lists, if there should be a Dominion election, the Ontario lists that may be considered to be lists in course of preparation for provincial elections, lists prepared by the assessors of the municipalities, might be accepted as a basis.

Mr. GUTHRIE: If they have been revised by the judge.

Mr. EULER: Yes. I understood the minister to say that he is willing to accept those lists with the idea that they are provincial lists in course of preparation. Then, the matter becomes just one of how those lists shall be finally revised. I was going to make this suggestion with a view to save expense, that instead, at that point, of appointing a large number of enumerators, say, one in each polling subdivision, to revise those lists, the provincial idea be adopted of having a Board of Revision for the whole riding. I would just add this in reply to what the minister said. He spoke of the lists prepared by the assessors as "half-baked" lists. I think he will find that those lists will be very complete, for this reason: the minister stated that the assessors are not particularly concerned to put on the list anybody except those who are municipal voters. In the last session of the Ontario Legislature, I think I am right in saying that a law was passed removing the property qualification entirely in municipal elections, and that means that the municipal franchise becomes manhood and womanhood franchise. Therefore, the municipal lists will correspond almost exactly with the provincial voters' lists or the Dominion voters' lists, so that very little revision would be necessary, and I believe a Board of Revision, such as is contemplated under the Ontario Act, would be very suitable for Dominion purposes also. If the minister could accept that suggestion, the whole question might be very well agreed upon.

Mr. MACKENZIE KING: Would one registrar for each municipality not be sufficient?

Mr. GUTHRIE: I do not think that would be sufficient. I do not think he could possibly do the work in the time allotted. Unless we consider that this has been drawn with the idea of making half a dozen periods of time fit in and dovetail, the thing is going to be thrown out of joint. You must have regard to the amount of work that has to be done in a very limited period of time. The very least you can get on with is one

registrar to a polling subdivision. While it may be that in a compact little polling division in some little township one registrar could do more than the work required of him in that subdivision, one hon. member pointed out to me just a moment ago that in the West we may have to get two or three registrars in some subdivisions to do this little bit of work. That is the difficulty.

Mr. MACKENZIE KING: Would it be possible, as it is now six o'clock, to have an amendment drafted before eight o'clock?

Mr. GUTHRIE: As long as it is a provincial list in course of preparation where it has reached the stage where a judge has revised it, but has not been finally revised, because the final revision would not take place until just before a provincial election, a provincial list in course of preparation in Ontario might be adopted.

Mr. MACKENZIE KING: As regards revision by a judge, assuming there were no appeals to a judge, as long as the formalities of the law had been complied with, that section of the Act would then be regarded as having been complied with.

Mr. GUTHRIE: I should like to see the amendment before I say anything.

Mr. SEXSMITH: Hundreds of names might still be subject to revision by the judge.

At Six o'clock the committee took recess.

## After Recess.

The committee resumed at Eight o'clock.

Mr. GUTHRIE: When the committee rose at six o'clock we were discussing section 32 with special reference to the province of Ontario and the peculiar situation which has arisen in that province by reason of an Act, passed during its last session by the legislature of Ontario, known as the Election Laws Amendment Act. I make this statement so that the committee may understand the situation. That Act provided for the making of voters' lists for both municipal and provincial purposes. By the terms of the Act the list is specifically a provincial voters' list, but I think that a strict reading of the Act shows that there would be no provincial voters' lists prepared and completed unless a provincial election were held. Section 25 of the Act referred to provides:

> The list so prepared shall be subject to revision by the judge of the Country Court and shall be dealt with in all respects in the manner provided by The Ontario Voters' Lists Act, and the last list prepared for any municipality and finally revised by the judge shall be the proper list to be used at any election to the Assembly held before another list has been prepared and revised as herein provided, but whenever an election to the Assembly is to be held the lists shall be subject to further revision, as hereinafter provided, as to persons entitled or claiming to be entitled to be entered thereon as qualified to vote at elections to the Assembly and as to persons entered thereon who are not qualified to vote at elections to the Assembly.

The position is this: We have in Ontario a list of voters for provincial purposes which was used in October last. Under the language of section 32 of the present Bill as we propose to amend it that would be the list for the next two years. It would form the basis of the Dominion list should a Dominion election be held within the next two years. But in the province of Ontario it is not likely that there will be a new provincial list until there is a new provincial election, and we cannot fix a date in regard to that event. It is a contingency. Now, my hon. friend from West Middlesex (Mr. Ross) and the leader of the Opposition propose that we should adopt what are practically municipal lists of the province of Ontario as a basis for Dominion voters' lists. I object to that; if you do it in Ontario you might as well do it in the other provinces. My view is that the Dominion Government should disregard municipal lists and franchises and prepare Dominion lists upon a uniform basis, having general application throughout all provinces. To meet the difficulty I would be prepared to go thus far, namely, that when a general election is called, if there be no provincial voters' lists in Ontario which would be available—of course for two years we shall have it—then, that a list which is in course of preparation as a provincial list, and which has gone so far as to be finally revised by a county judge, should form the basis for Dominion purposes. There would be the same power to revise that list, to add to or subtract from it, as there would be in regard to any other provincial list which was adopted as a basis for Dominion lists under section 32. I make this suggestion only as a compromise, it is to meet the peculiar case of the province of Ontario. But if the principle of this exception is to be extended throughout Canada I will not agree to it; I would far rather have the clause as drawn. If it meets the objections of my hon. friend, the leader of the Opposition, as he voiced them this afternoon, I would be prepared, owing to the peculiar nature of the Ontario

legislation upon this subject, to go as far as I have intimated. There will also be some minor amendments, in addition to this, to correct some clerical errors; and there will have to be some formal amendments to make the section workable.

I would put in a special provision in section 32 as follows:

> Provided that in and for the province of Ontario, if there be no provincial voters' lists which have been prepared and completed within two years immediately preceding the issue of the writ, provincial voters' lists in course of preparation under the Elections Laws Amendment Act, 1920 of the said province, which have been finally revised by the county judge under section twenty eight of the said Act, shall be adopted under this section for the said province, but the same shall be subject to all the provisions of this section as to additions thereto and subtractions therefrom as in the case of provincial lists prepared and completed for provincial purposes.

I am not moving this as an amendment now, but I am offering it as a suggestion to see if we can settle our difficulties. If my hon. friends see fit to adopt it I think we can work it out.

Sir SAM HUGHES: Suppose at the next session of the provincial legislature there should be an amendment to that section of the law to which reference is made, how would it affect the situation?

Mr. GUTHRIE: It would affect the situation very materially and might necessitate an amendment to meet that new condition.

Sir SAM HUGHES: Why should we have to depend on any authority other than this Parliament for the right to have our own franchise Act?

Mr. GUTHRIE: I agree that this House should be able to decide upon its own franchise Act, but it is a very difficult problem in a country like this, with nine provinces each having different election laws. It is a task of very great difficulty. Here we have a difficulty and we are trying by a method of compromise to overcome it. I think this may be done without interfering with the principle upon which the Bill is framed, and if it is a satisfactory compromise it may get us over some of our difficulties.

Mr. STEELE: Is there a provision in the Provincial Voters' List Act for the revision of the municipal lists by the county judge?

Mr. GUTHRIE: Yes, the ordinary revision takes place every year before the county judge and the lists would be available to the extent that they had been finally revised by the county judge.

Mr. STEELE: I am afraid that in almost every electoral district, when we come to the Dominion elections, we will find a varied condition; that some municipal lists for a particular year, say, will have been revised before the county judge while others will not have been so revised, necessitating the use of this year's lists in one municipality and last year's list in another municipality as the basis. It will create a great deal of confusion.

Mr. GUTHRIE: I do not think any great confusion will arise on that account. I thought of that. It would merely mean that in the municipalities where they were finally revised they would be the basis while in the municipalities where they were not finally revised they would not be the basis and the enumerator would make the revision.

Mr. BURNHAM: It seems to me that logically the system of franchise which a province had created for itself is the system which we ought to adopt for that province. To use a legal phrase, if we adopt the franchise system of the province, that province is estopped from criticising that action on our part. But there was one suggestion which was made, and somewhat dwelt upon by the leader of the Opposition, and that was that in rural subdivisions, or municipalities—subdivisions particularly—if a man finds himself cut off the voters' list when he should be on, he can go into a polling booth, swear that he is entitled to vote, and be allowed to vote. I have as much faith in humanity as probably anybody; I also have some experience, and perhaps I have some common sense; but if anybody thinks that in some townships I know of—they are not in my county—oh, no—that it is perfectly all right to leave an arrangement like that wide open, he has another think coming. What is to prevent people being injected in, say from the West and making false statements?—and people frequently treat it as a joke when it comes to cheating the franchise and the customs. If you have men and women coming in and making these statements, in a close constituency it will turn the election. If you look for them after the deed is done you cannot find them. It is easy. If the vote is to be allowed without any further presumption than that established by the readiness of the party applying to take his oath, the door is wide open for fraud, and certainly in some constituencies and at

some times I know that would be a mild dose of fraud for some people to take. I would sincerely ask the leader of the Opposition to reconsider that idea and to give us something a little more guarded.

Mr. MORPHY: The minister has stated that in case the province of Ontario should pass legislation amending their present law it might be inconvenient and would render an amendment to our Act necessary. That being so I would suggest that the minister consider the advisability of providing a further amendment somewhat along these lines: Provided further that in case such Provincial Government have passed an amendment to their present franchise law which would render the amendment which the minister now submits inoperative, section 23 stand as it is to-day.

Mr. GUTHRIE: The amendment, in the way it is drawn, is intended to cover that. Just as soon as there is a provincial list prepared and completed for provincial purposes, that is the list. If the Ontario Government should see fit to change its law, or should hold an election on that provincial voters' list, the proposed amendment has no force or effect.

Mr. MORPHY: I would like to ask the minister what he meant when he said, in reply to the hon. member for Victoria (Sir Sam Hughes), that if the provincial legislature made an amendment to their present franchise law it would necessitate the further amendment of this section.

Mr. GUTHRIE: If they amend it so as to change section 28 in such a way that there would be no revision before a county judge, we would have to amend our Act.

Mr. MORPHY: Then let us amend this section to provide that if they do make such an amendment to their Act the present section stands as it is.

Mr. GUTHRIE: I think it would be simpler to amend our law later than to amend it now.

Mr. MACKENZIE KING: As I understand the suggestion the minister has made, it meets, to a certain extent, one of the main points we have raised, namely, avoiding duplication and expense in the preparation of lists. As his suggestion reads, the lists which are now prepared and which are the lists used at the last provincial elections will be the basis of the lists for the next federal election until a period of two years has expired. There may be certain changes to make, certain additions to and subtractions from the provincial lists. Thereafter lists that have been made up, to the extent to which they have been made up and revised before the Court of Revision shall be available for use for federal purposes. So far there is a saving in the expense of the enumeration of a very large number of names, but there is left to the Government the revision of the list by officers appointed by themselves. While the Government does not meet us on the latter point, we preferring to have no enumerators or registrars appointed but to have the revision made by established judicial bodies, nevertheless the proposal does meet us to the extent I have indicated and as such will be welcomed, and I thank my hon. friend for it.



Mr. BUREAU: But the appeal to the judge remains?

Mr. GUTHRIE: Yes. Then, if we have got over that point, there are quite a number of other amendments.

The CHAIRMAN: I understand the minister desires to move this as an amendment.

Mr. GUTHRIE: Yes.

Mr. MACKENZIE KING: Assume that the Ontario law was in effect this year and that the new lists were prepared in the spring of next year and revised by the judge in the summer, would such Ontario lists be used after the revision had been made by the judge?

Mr. GUTHRIE: It would only be where there are no provincial lists prepared and completed in the two years, which would mean the following year.

Mr. MACKENZIE KING: What I would like to say to my hon. friend is, that his suggestion would be still more agreeable if those lists could be used just as soon as they were ready.

Mr. GUTHRIE: I could not do that.

Mr. MACKENZIE KING: I would like to put that suggestion on record at any rate.

Amendment agreed to.

Mr. GUTHRIE: I move to amend line 22 of page 14 of the Bill by striking out "one year" and inserting "two years."

Amendment agreed to.

Mr. GUTHRIE: I move to amend line 33 of page 14 of the Bill by striking out "Schedules A and B respectively," and inserting "Schedule A."

Amendment agreed to.

Mr. GUTHRIE: I move this amendment:

In line 9 of page 15 of the Bill strike out "Schedules" and insert "Schedule", and in line 10 strike out "and B" and insert "for urban polling divisions", and also in line 10 after "section" insert "and the returning officer for rural polling divisions, respectively".

The reason for that is this: In the urban polling divisions the registrar is the man to do it, and in the rural polling divisions the returning officer, that is where the voters' lists do not conform.

Amendment agreed to.

Mr. GUTHRIE: I now beg leave to move the following amendment:

In Schedule A on pageg 16 of the Bill strike out rule 1 and insert the following:

"Rule 1.—Immediately after the receipt of the writ the returning officer shall appoint, by writing, in Form E one person only to be registrar of voters in each city, town or incorporated village which is wholly or partly contained in the electoral district for which the election is pending and which has a population of over 1,000 or less than 4,000 persons, and one for each additional 4,000 persons, who shall, before acting as such, take the oath in Form F; and the registrars so appointed shall be assigned by the returning officer to such parts or such number of polls as he may deem right and proper."

In the section as drawn there was a discretion, which was indefinite, as to how many registrars would be appointed. In the amendment which I have proposed there is one registrar for a population of from one thousand to four thousand, and an additional registrar for each four thousand persons. I think it is better to make the provision definite rather than to leave it discretionary.

Mr. FIELDING: I was not able to be here this afternoon. Will my hon. friend tell me what conclusion has been reached with respect to the arrangement that was made about the Nova Scotia lists, and to some extent the New Brunswick lists also? We had come to an understanding with the hon. gentleman concerning the Nova Scotia lists. What I desire to know is whether that arrangement is being carried out.

Mr. GUTHRIE: Well, we came to a tentative understanding I agree; but if my hon. friend was in the House on the 18th and 19th of May, when the discussion on our proposals took place, I think he must have come to the conclusion that we had only agreed to disagree. As I announced this afternoon, under the circumstances we could not go further with the proposal which that conference or committee decided upon, and I have resolved on behalf of the Government to proceed with the Bill as drawn. However, during the course of this afternoon, we have come to some other conclusions in regard to the voters' lists in the province of Ontario, and I assumed that they would probably settle our difficulty—at all events, very largely.

Mr. FIELDING: At the discussion which took place after the conference—

The CHAIRMAN: The hon. member will pardon me, but will he allow the committee to adopt the amendment to rule, which was proposed a few minutes ago. Shall the amendment carry?

Amendment agreed to.

Mr. FIELDING: At the discussion that took place after the conference referred to there was no question raised with regard to the Nova Scotia lists. There was some discussion regarding the Ontario lists and municipal lists, but the assent—the agreement if we may call it so—that had been reached at the conference affecting the Nova Scotia lists was not the subject of any dissension later on, and I have, up to this moment, assumed that that agreement—again I say, if we may call it agreement—was to be carried out. The essential point of difference was this: I had proposed an amendment to the effect that the lists of Nova Scotia and New Brunswick prepared for provincial purposes should be accepted as final. My hon. friend said they could not agree to that, but they would agree to this. That the lists should be accepted as final, subject to two qualifications; first, that in the urban districts the right of appeal to the county judge should remain—to which I had no objection; and second, that as to the other districts it should be agreed that we should grant the right of a man to swear his name on the list on the day of election in the presence of two witnesses, who would certify that he was qualified to vote—to which, although I thought it an unnecessary cog in the machine, I offered no objection. There was no difference of opinion in the end between my hon. friend and myself. All he desired in regard to Nova Scotia and New Brunswick—although I speak particularly of Nova Scotia—I was content to accept, and I am astonished to be told to-day that that agreement is not to be carried out.

Mr. GUTHRIE: I do not know on what assumption my hon. friend thought we were binding the House of Commons by our conference. We certainly sought to reach a basis of agreement; that was the

purpose of the conference; and so far as those who were in immediate attendance at the conference are concerned, I think they were all fairly well satisfied with the proposals then made. But when the matter came before the House of Commons I certainly found otherwise. Whether it was in regard particularly to Nova Scotia or to some of the other provinces I do not say at the moment, but I know there was general dissatisfaction, and I have since learned that on this side of the House, particularly in regard to Nova Scotia, the proposals were not suitable to those gentlemen on this side who sit for constituencies in that province. Under these circumstances I would not ask the House to consider any suggestions of mine as constituting a binding agreement, and I so notified the House this afternoon when I brought the amendments forward. I thought at the time that they offered a fair solution of our troubles, but other people took a different view. The conclusion of the Government was, and is, that under all the circumstances it is better to proceed with the clause as originally drafted.

Mr. FIELDING: I quite agree with my hon. friend that neither of us can bind the House of Commons, but I thought in view of what had occurred at the conference that if he on the one side and I on the other agreed that probably there would be no difficulty in obtaining the assent of the House of Commons. If my hon. friend found any dissent in respect to the treatment of Nova Scotia he did not find it from any discussion that occurred in this House; he must have found it in some other way as to which he has not taken this House into his confidence. The point of difference was that the hon. gentleman in his original proposal desired to appoint a number of so-called enumerators or registrars, who would have the right to put on additional names. I tried to point out to the House, and I think I persuaded the hon. gentleman, that that was a needless waste of public money. I say that the lists of Nova Scotia are fairly and properly made, and if taken as final no harm would be done. But as my hon. friend said we were to have a reference to the county judge in urban districts, I had no objection; and, although I think it is unnecessary to have men coming to the poll on election day with two brother electors and swearing themselves on, I have not objected to it. But I have objected to the power of the Government to appoint an army of enumerators for the special purpose of putting on names which they could not put on in any other way. I do not want to argue this further, because it is so absolutely monstrous that I am astonished at the attitude of the hon. gentleman.

Mr. BURNHAM: May I ask the hon. gentleman (Mr. Fielding) why he makes that statement? That statement does not apply to the province of Ontario; and is the province of Nova Scotia a great deal worse than the province of Ontario? In the province of Ontario we are accustomed, until a man is proved a rascal, to consider him as an ordinary fair-minded human being. I do not presume to lecture a man so much older than I am, but this business of forever casting mud over everything before it is proved there is any wrong, is destroying this country. I do not think that a man so great in the annals of this country, and so patriotic, as my hon. friend (Mr. Fielding) should engage in it, because he of all men has set the rest of this country an extremely bad example in that respect.

Mr. FIELDING: I have not presumed to discuss the lists of Ontario, because I confess that I am not familiar with those lists. It would be a good thing if we could have a uniform system in all parts of Canada in regard to the lists, but inasmuch as different rules prevail in the various provinces, it has been found necessary to vary the provision even under this law. The whole story is a very simple one. We have lists prepared every year in Nova Scotia for provincial elections. They are prepared by no political authority; they are prepared by municipal councils. There is a right of appeal to the sheriff. There has been no evidence to show that that right of appeal has ever been improperly used; in fact, there have been few, if any, appeals. The hon. minister was willing to have these lists taken as final, subject to these two conditions: that in the case of the urban districts there should be appeal to the county judge,—as to which I took the ground that while I thought it was unnecessary, still I had no objection to that appeal;—and, second, that if a man was left off the list he ought to have the right to come to the polling station on election day and be allowed to swear himself on again. I said that although I thought it was not necessary I had no objection to that. What I did object to, and what I object to now, and what I am obliged to continue to object to, is the right of the

Government to appoint an army of so-called enumerators or registrars through a partisan returning officer for no other purpose than to make partisan lists, although we were told this to be a fair, a just and a generous Bill.

Amendment to rule 1 agreed to.

Mr. GUTHRIE: On page 17, Mr. Chairman, some change has to be made. I therefore move to amend Schedule A on page 17 of the Bill by adding at the end of Rule 2 the following words, " and such notice shall be so posted at least four days before the first day of registration."

And also by adding thereafter the following paragraph:

He shall also, before nine o'clock of the first day fixed for the registration of voters, cause at least five copies of such notice to be posted up in some conspicuous place outside of and near to the place where he sits for the registration of voters, and he shall see that these notices remain duly posted up thoughout the whole period of registration.

It is to give the public notice that the registrar is sitting there.

Amendment agreed to.

Mr. GUTHRIE: Then, Mr. Chairman, I beg to move to amend Rule 3 in Schedule A by adding after the word "registrar" the words "and additional registrar," and by striking from lines 1 and 2, the words "city, town, or incorporated village or part thereof" and inserting in line 1 after the words "within the" the words "territorial limit for which he is appointed."

Mr. SINCLAIR (Guysborough): I would like to have the section read as amended so that we can understand it. The minister is introducing many amendments and hon. members have no information as to what the amendments mean.

Mr. GUTHRIE: The leader of the Opposition has a copy of these amendments. The section will now read:

Every registrar and additional registrar shall provide within the territorial limit for which he is appointed, a convenient place, properly lighted and heated, and being the place mentioned in such notice;—

And so on.

Mr. SINCLAIR (Guysborough): That means that there will be a registrar in every polling district?

Mr. GUTHRIE: There is power in cases of cities to appoint sufficient registrars for every 4,000 of the population. If the population is from 1,000 to 4,000 there shall be one registrar, and for every additional 4,000 an additional registrar. This imposes on both the registrar and the additional registrar the duty of having these premises properly lighted and heated and of giving the proper notice for the holding of the sitting.

Mr. MACKENZIE KING: I have assumed that it would expedite matters to have the minister bring forward all his amendments and have them passed as read, on the understanding that we would have a chance to consider the whole section as amended before we finally pass on it.

Mr. GUTHRIE: We can take them all and then we can have the Chairman read the clauses over. The amendments are all more or less technical; they do not go to the principle or the root of the matter. The other amendments are as follows:

In schedule A, rule 4, paragraph (b), strike out in the fifth and sixth lines the words "and proper polling division." Insert before the word "address" in line 5, the word "and." Strike out in the sixth and seventh lines the words "on the registrar's preliminary, or compilation, list" and insert " in an index book which shall be kept for each polling division in form K6 to this Act." In the last two lines of paragraph (b) of rule 4 strike out "on such preliminary list" and insert " in such index book." We are providing that each registrar shall have a proper index book in which the registrations may be entered as they come in, and that such book shall be alphabetically indexed and convenient of reference. When the Bill was first prepared the use of such a book was not contemplated, but Mr. Castonguay says that it is indispensable to have an index book for quick reference, and it is to comply with his suggestion that these amendments are necessary.

Amendments agreed to.

Mr. GUTHRIE: On the last line of page 17, the word "or" before the word "town" should be struck out, and after the word "town" the words "or incorporated village" should be added.

Amendment agreed to.

Mr. GUTHRIE: In schedule A, rule 6, line 2, strike out "two" and insert "three." It is thought that two days is too short a time within which to get these lists out. Then, in paragraph (a), first line, strike out "preliminary or compilation list" and insert "index book." In line 7, paragraph (a), after the words "according to," insert

"the first letter of the surnames.' In line 11 of paragraph (a) strike out "preliminary or compilation list" and insert "index book."

I would suggest an amendment to meet the question raised by my hon. friend (Mr. Denis) this afternoon. At the end of paragraph (a) insert the following words:

The name of a married woman or a widow shall be entered on the index book under the first letter of the surname of her husband or deceased husband, respectively.

In paragraph (b), line 2, add the word "incorporated" before the word "village," and in paragraph (c), second line, after the word "candidates" add the words "upon nomination day."

Amendments agreed to.

Mr. GUTHRIE: I move to amend schedule A rule (8) by striking out in the fourth and fifth lines the word "a certified copy of the list prepared by him" and inserting the words "the index book kept by him for each polling division under his jurisdiction."

Amendment agreed to.

Mr. GUTHRIE: As regards schedule A rule (11), a difficulty arises that, in Nova Scotia, and also I think in New Brunswick, there are no junior or senior county court judges; there are just county court judges. It has been drawn to my attention that this rule will not suit Nova Scotia nor New Brunswick. I, therefore, move to amend schedule A, rule (11) by inserting after the word "judges" in line 3 the words "where there are both senior and junior county court judges and in other places the county court judges."

Amendment agreed to.

Mr. GUTHRIE: I also move to amend schedule A, rule (11) by striking out the word "he" in line 24, and inserting the words "each revising officer." This says: "He shall appoint a clerk." It should read: "Each revising officer shall appoint a clerk."

Amendment agreed to.

Mr. GUTHRIE: I move to amend schedule A, rule (14), paragraph (d), by striking out in line 8 the word "or" where it first occurs and after the word "town" inserting the words "or incorporated village" to make this read: "city, town or incorporated village." It reads now: "city or town."

Amendment agreed to.



Mr. GUTHRIE: I also move to amend schedule A, rule (14), paragraph (d), by striking out in line 9 the word "part" and inserting the word "section," and in the last line before the word "such" by inserting the word "any." The paragraph reads: "in this part"; it should read: "in this section." I do not think the insertion of the word "any" before the word "such" in the last line matters much, but the revising officer has asked that it be inserted.

Amendment agreed to.

Mr. GUTHRIE: I move to amend schedule A, rule (15), paragraph (c), by striking out in line 2 the words "Chief Electoral" and inserting the word "Returning." This reads: "The Chief Electoral Officer." It should be "The Returning Officer."

Amendment agreed to.

Mr. GUTHRIE: I move to amend schedule A, rule (16), by striking out in the third line the word "making" and inserting the words "and make all," and in line 5 by striking out the word "certifying" and inserting the words "shall certify," and in line 6 by striking out the word "dispatch" and inserting the words "shall dispatch by registered mail." The grammatical construction in the clause as drawn was very incorrect and this is to remedy that defect.

Amendment agreed to.

Mr. PARDEE: In rule 17, I think, if possible at all, the minister should make the time longer than four days prior to an election.

Mr. GUTHRIE: When we get these changes made, we can read the section and then suggestions or amendments may be made. As regards Rule 17, in the computation of time between the final revision of an urban list, that is, a list for a city, town or village, and the date of handing the list to the candidate, a period of only eight days has been allowed. It has been pointed out that a strike may occur in a printing or newspaper officer or other unavoidable delays may take place and for some reason or another the lists may not be printed within those eight days. The King's Printer pointed out this difficulty, and he suggested this amendment which I will move because I think we should make some provision. It is just to provide for unforeseen accidents or delays. I move that schedule A, rule (17), be amended by adding at the end of the rule the following paragraph:

Provided, however, that if the revising officer shall report to the Chief Electoral Officer that the lists cannot be printed in time for delivery to the candidates as required by this Rule, the Chief Electoral Officer may order that the printing of the lists be dispensed with; and in such case the revising officer shall cause to be made for each candidate one complete copy of the list as finally revised and certified under his hand as a true copy and he shall deliver or send by registered mail to each candidate or to his agent one copy of such list at least four days before the polling day.

Candidates, although they may not have their lists actually certified, printed and complete, will, I think, in every case have lists; but allowing eight days for printing the lists will allow only four clear days before polling day for possession of the printed list. There is no doubt they will have preliminary lists, but they will not have all the corrections. The usual experience, of course, is that candidates are represented on appeals and they will know what changes are made. It would be better if we had longer than four days for printed lists, but allowing every day we can, four days is all we can allow.

Mr. PARDEE: It is very short.

Mr. CALDWELL: In my election I did not get some of the lists nor a copy of any kind until four days after the election was over.

Mr. GUTHRIE: That was a great misfortune. We are trying to remedy that.

Mr. CALDWELL: Four days is not long enough, I know, in my riding. This rule says that the list shall be mailed to the candidate by registered mail at least four days before the election. It will take two days for a list to reach me by mail from the furthest section of my riding, and two days to get that list back to the same polling division in order that the agent might have a list.

Mr. GUTHRIE: These are not the rural lists.

Mr. CALDWELL: What governs the rural lists?

Mr. GUTHRIE: The rural list is not printed at all; it is delivered fourteen days before—not later than nomination day.

The CHAIRMAN: I do not want to interrupt this discussion, but I undestand there is an agreement between the Acting Solicitor General and the leader of the Opposition—which will undoubtedly be confirmed by the unanimous consent of the committee,—that, instead of discussing these amendments as we reach them, the minister be allowed to move all these amendments; that they be adopted for the time being, and then that the committee go over the rules as amended, reserving to members of the committee the right to move at that time any further amendments they may deem advisable.

9 p.m.

Amendment agreed to.

Mr. GUTHRIE: I move to amend schedule A rule (20), by striking out in line 2 the word "eight" and inserting the word "six". That is, the voters' lists must be delivered before six o'clock, instead of eight o'clock, on the morning of election day.

Amendment agreed to.

Mr. GUTHRIE: I am informed that I missed making an amendment to rule (2). I move to amend schedule A, rule (2) by striking out the word "or" where it first occurs in the third line, and inserting after the word "town" the words "or incorporated village".

Amendment agreed to.

Mr. GUTHRIE: I move the following amendments:

In Schedule B:

Rule 2, line 9, after word "order" insert "according to the first letter of their surnames".

Rule 3, line 2, strike out "sign" and insert "certify as in form K7 to this Act; and, line 10 after "notice" insert "as in said form K7."

Rule 5, line 5, strike out "Second": in line 6, after "Act" insert "He shall also on the same day deliver or mail by registered letter to the returning officer a copy of the list so certified and the returning officer shall forthwith transmit the same to the Chief Electoral Officer": and, line 9, strike out "posted" and insert "retained": and, line 9, after the word "rules" insert "He shall also deliver or send by registered mail to the returning officer a true copy of such revised and corrected list of voters": and, line 10, strike out "eight" and insert "six".

Amendments agreed to.

The next amendment has reference to section 36 and I do not know whether I should properly move it now, although it has to do with this section more than with section 36. I would move, Mr. Chairman, that for the purpose of this amendment we return to clause 36.

Mr. DENIS: I take it for granted, Mr. Chairman, that the committee will return to clause 32?

The CHAIRMAN: Yes.

Mr. GUTHRIE: I move to amend clause 36 by adding as paragraph (d) the following:

(d) A statement setting forth what portion, if any, of the electoral district shall be deemed to be urban polling divisions under the provisions of this Act.

Mr. SINCLAIR (Guysborough): What does this mean? We have a definition of what urban and rural polls are. Is this intended to alter the definition in any way?

Mr. GUTHRIE: No, the definition in clause 2 governs; but some question may arise as to whether a particular place is incorporated and has over a thousand people. The Chief Electoral Officer has absolute right to decide that. He shall decide it, and when he sends instructions to the returning officer shall notify the returning officer as to which places are urban and which are not. He has to be governed by the interpretation in clause 2.

Amendment agreed to.

Section as amended agreed to.

Mr. GUTHRIE: I now move that we return to the consideration of section 32.

Mr. MACKENZIE KING: I would like to ask the minister in reference to subsection 12 of section 32 which reads as follows:

In the case of an election other than a general election, the Chief Electoral Officer may, notwithstanding anything in this Act, direct that such lists be wholly prepared for both urban and rural polling divisions pursuant to the provisions of Schedule B to this section, and such lists, when so prepared, shall be the official lists of voters for the election.

Is there any reason why in the case of a by-election the provincial lists should not be used, just as in the case of a general election, to the extent that it is possible to use them?

Mr. GUTHRIE: The draftsman of this Bill thought that was a necessary provision because circumstances might arise where, in the opinion of the Chief Electoral Officer, it might be more judicious and less expensive if the lists were revised by enumeration instead of registration. The man who drafted the Act thought it would be very useful. It is discretionary with the Chief Electoral Officer whether he shall employ that method or not, but he shall not employ it in the case of a general election.

Mr. MACKENZIE KING: It leaves the matter in doubt and I think it unwise so to do. He should be obliged to take the

[Mr. Chairman.]

list that exists unless there is some special reason why he should not.

Mr. GUTHRIE: There is no special reason that I know of except that Mr. O'Connor, who drafted the clause, thought it was a very useful clause to have there. I must say that I have no objection to having it struck out. I think the system of registration is preferable to any other. This merely gives a discretion—in case circumstances might arise where it might be deemed advisable to have the whole thing by enumeration—to the chief election officer to direct in the case of a by-election; but I am not going to insist upon it if the Committee wants it struck out.

Mr. MACKENZIE KING: I am as strongly opposed to the whole system of enumeration as it is possible to be. Unless some other member of the committee sees any wisdom in retaining it I move to strike it out.

Mr. GUTHRIE: I agree.

The CHAIRMAN: Mr. King moves to amend clause 32 by striking out subclause 12 thereof.

Amendment agreed to.

The CHAIRMAN: Shall the clause as amended carry?

Mr. SINCLAIR (Guysborough): Before the clause carries, I would point out that provision was made in it for transferring voters from one polling division to another. I would like to understand at what time that transfer can be made. Can it be made after a copy of the list is given to the candidates, or must it be made prior to that time?

Mr. GUTHRIE: No. I think that has to be done under section 28, an earlier section than this. The polling divisions are arranged under section 28, but it is quite possible that a Dominion polling division and a local polling division may not be co-extensive, and in order to make the provincial polling divisions conform for Dominion purposes some names may have to be transferred from one division to another. That duty so far as the urban divisions are concerned is to be performed by the registrar, and in the rural divisions by the returning officer. It is merely for putting them in an appropriate Dominion polling division. That must certainly be done before the registrar, in the urban case, and the enumerator, in the rural case, certifies and delivers his lists to the returning officer.

Mr. McKENZIE: I venture to say, Mr. Chairman, that every period of time that

is given in connection with this section for the taking of an election is too short—absolutely too short. In our province the lists are prepared on the 5th day of April each year. The electoral list is an old friend to everybody in our province; they know all about it. Here is a condition brought about where we do not see the electoral list till the morning of the election day. A candidate is rarely at home in his own place on election day, and the result will be that he will not see the electoral list at all. I submit to you, Mr. Chairman, that this is a most extraordinary piece of machinery. We hear a great deal of the War-time Elections Act as being a black mark on the good life of this country; but let me assure you, Sir, that although fair promises were made at the start in the case of this Bill, yet if it were possible for any thing to be worse than the War-time Elections Act, this Bill can be so characterized. The minister could not take any more to himself than he is doing. He is preparing the list himself, appointing his own officers; everything about it from stem to stern, lock, stock and barrel, is his own creation, without one scintilla of independence in the election from start to finish. That is the kind of election we are going to have when the time comes. The only consolation is that if the Canadian people are aroused, as I hope they will be, to the real situation of this country no machinery of the minister no matter how water-tight it may be will suffice. There will be enough independence in Canada to hurl the minister and his ministry, and everything belonging to him, clean over the bank, and get back to a condition where the people can once more breathe freely in this country. Then they will be rid of Unionist Government, and rid of the machinery that the Unionist Government has created. Then we shall once more get back to the state where the people will be able to go up to the polls and freely express their opinion. We have not got that situation to-day; and the minister, the Prime Minister, and every other member of the Government, need not be surprised that there is disorder, dissatisfaction and unrest abroad, and that disbelief in every institution of this country prevails generally. How can it be otherwise when in the hot days of the summer we are sitting down to manufacture such a law as this for the Canadian people—a law manufactured with the hope that the people will have nothing to say about how they shall be governed, or what laws shall be enacted—nothing but the black machinery called into existence by the minister, something like what I hear is in operation on the adjoining racetrack, a sort of automatic machine. That is the sort of machine we are going to have rather than a fair election. It is something under which nobody will have anything to say, something that is created by the will of the minister for the ministry and for their own purposes. I would certainly say there is no use putting forth any amending proposition, no use at all. The minister got into a reasonable frame of mind a couple of weeks ago. At any rate he said he was getting reasonable. He declare that he was going to accept our lists in Nova Scotia, that he was going to be equally reasonable in a number of things; but whether he invited the crack of the whip or not he got it and he came down from the tree quicker than any coon in the world ever did. Now he is right back where he was before. He simply told his followers, "Pray, gentlemen, forgive me. In a moment of weakness I was falling back on something that was less drastic than what you put before me. I will take it all back, and this will go through, if possible, in a form seven times worse than it was before". That is the situation that we have now. Surely there are hon. gentlemen opposite who believe that presenting a man with an electoral list on election day is not a fair proposition. The returning officer does not see it; nobody sees it; nobody knows whose name is on it; and the good, honest man, who sits supporting the Government, says: "No, you will not see the list. We are going to pass it to returning officer at some time before six o'clock in the morning, and you may have the priviledge of seeing it some time after the election is over". Hon. gentlemen opposite come from different parts of the country. They pride themselves on their fairness and on their honesty in everything else except an election, but when it comes to an election there is apparently no desire for fair dealing at all. The only satisfaction, Mr. Chairman, is this: I feel confident, as far as my province is concerned, that no machinery the minister can devise can bring him any other result but the one round robin that he will get from that province.

Mr. MACKENZIE KING: Mr. Chairman, if we are not making further amendments to this clause it is simply because we had a conference this afternoon, when some slight change was agreed to which made the clause a little less objectionable. I would not, however, like the minister or the Government to think that the clause as it

stands is at all acceptable. If it carries, it carries on division.

Mr. BELAND: Before the clause is finally disposed of, I would like to call attention to the fact that the French copy which has been supplied to members does not give any definition in the interpretation clause of the terms "urban polling division" and "rural polling division." I merely rise for the purpose of calling attention to the oversight so that whoever is responsible for it will correct it when the time comes.

Mr. GUTHRIE: I will see that the necessary correction is made. These changes were put in very early in the discussion, before the Bill was produced for second reading, and I cannot understand why they were omitted from the French translation.

Mr. SINCLAIR (Guysborough): The provisions of this clause to my mind settle the partisan character of this measure. In plain language it provides that a partisan returning officer has the power to appoint other partisans in every polling division for the purpose of making the lists. These officers are not selected by judges. They are selected by the Government. The Government will select one of their own supporters, and the chances are that they will select a man nominated by the candidate whom they intend to run in the district. That candidate will then submit the names of the registrars in the various districts. So that, as my friend from North Cape Breton (Mr. McKenzie) says, the whole section from first to last is most unfair and most objectionable. It is worse than the old system of partisan revising barristers which existed from 1885 to 1897. Under that system we had a partisan, it is true, but he was a man of some standing in the community, and he took the responsibility of making the lists. He did not appoint a lot of heelers to make the list; he made it himself and took the full responsibility. That system was found to work very badly indeed, but it is not nearly so bad nor so unfair as the proposed system because we have not one man only to do the work but fifty or sixty men, all of a partisan character, and each doing his own small part of the work in the various districts. The Liberal party made strong objection to the old system which provided for the appointment of revising barristers, and in the platform of the Liberal party in the election of 1896 provision was made for its repeal and a return to something like a fair electoral law. The Liberal party carried out their promise and in 1897 the practice was abolished and we returned to what has ever since been recognized as a fair system. The only three occasions in the history of the Dominion on which an attempt has been made to gain a partisan advantage from the election law, were, I am glad to say, made by the party represented by hon. gentlemen opposite. The first attempt was made in 1882 when the Gerrymander Act was passed, which is remembered as one of the darkest blots on the record of the Conservative party; the next attempt was made in 1885, when partisan revising barristers were provided for; and now we have the third attempt. I am glad to say that the history of the Liberal party is free from any such offence.

The clause retains some very objectionable features, but that is the main one,—that the Government are selecting the jury to try themselves. That is what it comes to. But I wish to warn hon. gentlemen opposite that they will not always be on the Treasury benches. When an opportunity is given to the people to express their views at the polls, this Government, in my opinion, will be defeated, and then hon. gentlemen opposite will have to move over to this side of the House, and they will not always find the Liberal party so magnanimous as they were in 1897. I want to say to hon. gentlemen opposite that they are to-day building up a system that they themselves will have to meet a little later on. I think it is in the Psalms of David where a man is described as digging a pit in which he is himself to fall. My hon. friends are putting up a stone wall to knock their own heads against in future; and they will find that the law they are passing to-day will operate against them so that they may be kept out of power for a very long time. Therefore I do not want to let this opportunity pass without giving them warning.

There is nothing fair about this law. These partisan registrars are not appointed by judges as was proposed, and it would be impossible to make a law that would be more unfair. There is no use discussing this further, for our objections have been placed before the minister over and over again. The old feature that we complained of at the start still continues in this section ;we have tried to remedy it; but it appears that no concession is to be made and that the partisan character of the officers who make the lists is still to be maintained.

Mr. BELAND: I would like to correct the impression I gave to the committee regarding the Franch translation. The reason for my error is that in the English copy the definition of the rural and urban polling divisions are set out under the letters (v) and (w), while in the French copy they come under letters (c) and (d).

Section 32 agreed to on division.

Mr. GUTHRIE:: Since I gave notice of the amendments, Mr. Chairman, the Assistant Clerk of the Crown has sent me a memorandum stating that I have omitted from paragraph (a) on page 18 the certificate which should go in at about the middle of the paragraph after the word "appointed." I therefore move to amend Rule (6) by inserting after the word "appointed" in line 8 thereof the words:

He shall write and sign at the foot or end thereof the following words:—

"I certify that the foregoing is a correct list of the voters in polling division No..... (or Nos..... as the case may be) of the city, (town or incorporated village) of in the electoral district of , as prepared by me.

"Dated at this day of 19

Registrar.

Schedule A to section 32:

Rules 1, 2, 3, 4, 5, 6, 7 and 8, as amended, agreed to.

On rule 9—Powers of registrars and constables:

Mr. MACKENZIE KING: This is pretty arbitrary power to put into the hands of a lot of enumerators, because that is all they are. You are giving them power to appoint constables on the spot, and giving these constables, acting without taking any oath, power to act and forcibly to remove persons. If these people were men of authority and responsibility, there might be some wisdom in giving them these extreme powers, but if the class of registrars are to be of the type of the enumerators who were appointed under the War-time Elections Act, the less power they have, the better.

Sir SAM HUGHES: I am very much surprised at the leader of the Opposition (Mr. Mackenzie King) casting any reflection on any set of men. I believe that these registrars will be as capable as the judges of the land to appoint constables to maintain law and order. My experience is that enumerators or registrars, no matter from which side they may be appointed, will always do their duty fearlessly and well. If the political machine is kept out, the honest electorate from whom these enumerators are appointed, may be trusted to do their duty properly.

Mr. MACKENZIE KING: My hon. friend did not quite understand me. I said that if the class of men appointed as registrars were like some of the enumerators appointed under the War-time Elections Act, I would not trust any of them with any power, and I repeat that remark most emphatically. They were not men of any one particular class; they were all partisans of an extreme type, and I do not think that any more power than is absolutely necessary should be put into the hands of extreme partisans.

10 p.m.

Sir SAM HUGHES: I have had a great deal of experience of electoral laws, and my experience is that the Election Act of 1886 was the best and fairest for both sides. So long as these enumerators are selected from the honest electorate, I am perfectly content; I have no complaint. The trouble has always been in the machine.

Mr. SINCLAIR (Guysborough): The peculiar thing about this rule is that a constable may remove a person whether he is doing anything or not. The rule says:

He may also, if necessary, forcibly remove or direct the forcible removal of any person from the place wherein the registration is taking place.

The man may be quite peaceable and observing the law; he may be the agent of the opposite side endeavouring to get fair play, and yet the constable has power under this clause forcibly to remove him. The clause does not say that the constable is to remove people who are breaking the law or disturbing the peace, but it says that he is to remove any person. I move that we strike out the clause.

Mr. GUTHRIE: What part of it?

Mr. SINCLAIR (Guysborough): I move to amend rule 9 by striking out the following words:

He may also, if necessary, forcibly remove or direct the forcible removal of any person from the place wherein the registration is taking place. He and the constables appointed by him shall have power to act without taking any oath.

Mr. GUTHRIE: I agree.

Amendment agreed to.

Rules 10, 11, 12, 13, 14, agreed to.

On rule 15—Delivery and printing of lists:

Mr. MACKENZIE KING: Is the time fixed in this rule as long as it can be made?

Mr. GUTHRIE: We left just as much time as we possibly could, allowing eight days to print, and that is crowding it a little. I do not think that in the working out there will be any lack of time. The candidates will have due time.

Rule agreed to.

Rule No. 16 agreed to.

On rule 17—Lists to candidates or their agents four days before polling day:

Mr. MACKENZIE KING: In connection with this rule there is a point which the minister might consider. A candidate is not likely to be in a given locality on the day of polling, and according to this provision it would be discretionary on the part of the revising officer to send the lists either to the candidate himself or to his agent. If lists came to the candidate from different parts the chances are that no one would see them. Am I right in interpreting the section to mean that if a candidate notified the returning officer that he wished the lists to be sent to his agent, giving the name of the agent, they would go to him?

Mr. GUTHRIE: Yes.

Rule agreed to.

Rules 18, 19, 20 agreed to.

Schedule A to section 32 agreed to.

On schedule B to section 32.

Rule 1—Registrar of votes for rural polling division:

Mr. GUTHRIE: Some words are omitted from the present wording. The rule reads:

Whenever a competent person can be secured within the limits of the polling division such person shall be appointed,—

I move to amend the clause to read:

Whenever a competent person can be secured who is a resident—

And so on.

Amendment agreed to.

Rule as amended agreed to.

On rule 2—Duties of registrar:

Mr. GUTHRIE: There is also an omission from this rule. As it stands the rule reads:

Each registrar, after taking oath as such in Form F, shall, whenever the returning officer so directs, complete in manner provided by section 32 of this Act and be these rules, a list of the persons, etc.

[Mr. Guthrie.]

I move to add, after the word "rules," the following words:

In an index book in Form K6 to this Act.

Amendment agreed to.

Rule as amended agreed to.

On Rule 3—Revision of lists; attendance of registrar:

Mr. McKENZIE: Why should a registrar in the rural district be called upon to be in his place only in the afternoon? In the urban district he has to be there all day, why should he not be in his office in the rural district all day?

Mr. GUTHRIE: It is considered that in a rural division there will be from 300 to 350 all told, and by being in his office for five or six hours a day he can hear all the complaints. It is thought that this will be a satisfactory time to meet the convenience of all parties. If we are going to have him attend for longer hours, I fancy he will want more money.

Mr. McKENZIE: A man in the country would take very much longer to do the work. He is not an expert such as you usually find in a city or town. A man in the country as a rule will not be accustomed to this kind of work and he will be much longer at it than the expert city man. I think the time is too short.

Mr. GUTHRIE: I am told that the experience in Saskatchewan is that as a rule there are not five appeals in any rural division. I think that from five to ten would be probably the limit in the older-settled portions of Ontario. I am satisfied that in the county in which I live every man in a rural division knows every other man, and I do not think there will be many appeals. There will be some.

Mr. McKENZIE: I understood this to be for the making of the lists.

Mr. GUTHRIE: This is after the list is made up. People may object and ask to have the list corrected, and for the purpose of hearing objections and taking the proper action he shall sit for five or six hours a day.

Mr. McKENZIE: When does he settle down to prepare the list?

Mr. GUTHRIE: In most cases he will have a basic list already prepared, but in certain cases where the provincial lists are over two years old he has to prepare a list and he has to have it prepared and posted up nineteen days before polling day. Then he sits for five days, and he has to have it finally certified and completed not later

than nomination day, which is fourteen days before polling day.

Mr. McKENZIE: I understood this rule to apply to the preparation of the lists, and if it does there is no reason why a man sitting in a country place should not sit just as long hours as the man in the city.

Rule agreed to.

On Rule 4—addition and elimination of names; correction of errors:

Mr. SINCLAIR (Guysborough): This rule is very objectionable. It enables the registrar to strike a name off the list after the list has been completed and handed to the candidate on nomination day. He can keep the list for five days after nomination, because it may be done any time up to the tenth day before election, and during those five days he can strike the names of opponents from the lists that have been given to the candidates. This section is so objectionable that I should not think the minister would want to retain it. Fifteen days before the election the electoral list is supposed to be completed, and is delivered to the candidate, and that ought to be final. There is no reason why names should be struck from the list after that date. There may be a reason why names omitted should be added, but there certainly cannot be any reason why names should be struck from the list without notice. You will observe that the registrar can, without any notice to the voter, the candidate or any other person, go behind his door in his own house and privately put his pen through the name of a man who has been regularly placed on the list. That is what it means. It puts a power in the hands of the partisan registrar to disfigure the list and change it after it has been settled. I do not think the minister should ask us to pass this section. It was so objectionable that one of his own supporters protested against it a few days ago. I do not think that any fair man should say that the registrar should have the right to do that.

Mr. GUTHRIE: Does my hon. friend want it stricken out? I do not attach any importance to it whatever. It was put in for the purpose of correcting clerical errors. If my hon. friend wants to remove it I am quite willing.

Mr. SINCLAIR (Guysborough): I move to amend Schedule B to section 32 by striking therefrom Rule 4 in its entirety.

Amendment agreed to.

On Rule 5—certificate of registrar; delivery of voters' lists:

Mr. SINCLAIR (Guysborough): I think rule 5 ought to be re-drafted owing to the elimination of rule 4. Do the rules as amended now read that no change is to be made after the list is delivered to the candidates?

Mr. GUTHRIE: Yes. After the list is delivered to the candidates on nomination day it is final.

Mr. MACKENZIE KING: It seems to me that possibly in striking out rule 4 we have gone further than the minister really intended. Rule 3 provides that:

> Each registrar shall complete, date at his place of residence and sign such copies of the voters' list on the fifteenth day before the polling day and not otherwise; two of such copies he shall post up in two of the most public and conspicuous places within such polling division and another he shall retain for revision. He shall on the day fixed for the nomination of candidates deliver or send by registered mail to each of the candidates a copy of such list. He shall attach to each of the copies so posted up a written notice signed by him and designating the place within the polling division and a time where and when electors may conveniently find him during the hours between two and six o'clock in the afternoon of every day except Sunday of the five days next following the fourteenth day before the polling day. He shall attend and remain at such designated place during the designated times.

But it does not say what he is to do on those days. We have struck out rule 4 which says what he is to do.

Mr. GUTHRIE: During those five days he hears applications to make changes.

Mr. MACKENZIE KING: Where is there anything of that?

Mr. GUTHRIE: I thought it was in rule 3.

Mr. MACKENZIE KING: It is not. It comes in rule 4, which we struck out. I think perhaps it was intended to strike out the latter half of rule 4 giving him the power to erase names; but not the first part, the power to add names.

Mr. GUTHRIE: I think I see now where I have made the mistake. The registrar makes his list and signs it on the fifteenth day before polling and no later than nomination day he delivers a copy of that list to the candidate. Then for five days thereafter he sits at this place which he designates to hear complaints. That would bring it to the tenth day before polling, and during

that time, "if any registrar at any time after posting up any voters' lists, and not later than the tenth day"—that is, after he has set five days before the polling day —"is fully satisfied from representations made to him by any credible person that the name of any person who is qualified as an elector to vote at the election then expending within the polling division for which the registrar has been appointed has been omitted from the voters' list, he shall add such name to the copy of the list in his possession, below his signature and attest by his initials such addition." In like manner, if he is satisfied that the name has been improperly put on by himself, he may remove it. I think it was properly drawn in the first place. I misapprehended the objection of my hon. friend, and I think he misapprehended the rule, although I took it for granted he was right. Then the next rule, of course, provides that the registrar, having revised and corrected the copy, shall transmit it to the candidates and the returning officer, and so on to the Chief Returning Officer. I will have to move the reconsideration of rule 4, as I misapprehended the objection of my hon. friend.

The CHAIRMAN: As the schedule has not been adopted no motion is required for its reconsideration.

Mr. GUTHRIE: It will have to stand, because it is on that that a rural registrar is entitled to correct any error he has made in the list. Rule 4 will have to stand as drafted.

Mr. SINCLAIR (Guysborough): I presume my hon. friend dose not mean to give the registrar power, without notice to any one, to strike names off and put them on?

Mr. GUTHRIE: That is his power in the first instance. He makes the list, he posts it up, and he sits for five days and determines any complaints he hears. In the first instance he only puts on such names as he thinks proper. That is the power of a registrar—or enumerator, if you see fit to call him so.

Mr. BELAND: Is that in the rural division?

Mr. GUTHRIE: Yes.

Mr. BELAND: I think in this case a Sunday should intervene between the date of the posting and the final draft, because in country towns most of the people in my province come in on Sunday. Would it be possible to make it so? Otherwise the five days will elapse and most of the people concerned being a long distance from the town proper, will not know whether they are on the list or not.

Mr. GUTHRIE: I would like to oblige my hon. friend, but I do not see how we could permit these acts to be done on a Sunday. In my part of the country Sunday is a dies non.

Mr. BELAND: It is with us too.

Mr. GUTHRIE: I doubt if the Act would be valid on the Lord's day for that reason.

Mr. BELAND: The hon. minister sees the point? It is not for the purpose of correcting anything on Sunday, but only for the purpose of giving the people an opportunity to find out whether their names are on the list.

The CHAIRMAN: Will the hon. minister tell me in what form Rule 4 is to be?

Mr. GUTHRIE: I would like it to stand in the form in which it is printed. I agreed that it be struck out, but I misapprehended the whole scope of the rule.

The CHAIRMAN: Do the changes first made in Rule 5 hold good, or shall the rule remain as it was before Rule 4 was struck out?

Mr. GUTHRIE: The only provision in regard to the posting of the lists is that two copies shall be posted up in two of the most public and conspicuous places within such polling subdivision. "He shall on the day fixed for the nomination of candidates deliver or send by registered mail to each of the candidates a copy of such lists." They have to be posted up on the fifteenth day before polling. Then the registrar has to sit for five days.

Mr. BELAND: Is it going to be posted in every polling subdivision?

Mr. GUTHRIE: Two copies in every polling subdivision.

Mr. BELAND: Then it is not so badly required that Sunday intervene.

Mr. SINCLAIR (Guysborough): My objection is to the striking off of names without notice to the voters. The right to vote should not be taken away from a man without notice. Under this section, if it is restored in its present shape, the registrar can strike off the list any man's name without giving him notice. That should not be allowed.

Mr. GUTHRIE: No, not under the general power given to the registrar. He is the judge. But if he does wrong the voter has his own remedy: he can go and vote. That is the point.

Mr. SINCLAIR (Guysborough): That is a very poor remedy.

Mr. GUTHRIE: That is the object of Clause 63—to prevent wrongdoing.

Mr. SINCLAIR (Guysborough): The meaning of this section seems to me to be that if any busybody comes to the registrar to get a man's name off the list he requires to give no notice, no proof, no affidavit, and the registrar has power to strike the name off and deprive the man of his vote.

Mr. GUTHRIE: My hon. friend surely realizes that he cannot deprive the man of his vote. The man can vote there, in spite of the most corrupt, iniquitous officer that ever was appointed. I think that his rights are absolutely safeguarded.

Mr. PARDEE: That is, by reason of section 63?

Mr. GUTHRIE: Yes.

Mr. PARDEE: Suppose, for the sake of argument, that one man was to strike twenty men off the list under rule 4. Surely the minister recognizes that if these names were struck off in such a wholesale manner it would take so long to swear the voters under section 63 on election day that most of them would be left out. My hon. friend shakes his head, but it is a fact that you will strike cases of that kind. Why should there not be a provision in rule 4 that any man appearing before the registrar with the desire of having some one's name struck off the list shall give evidence with regard thereto under oath or in the form of some declaration which will make him liable? Under the provision as it stands I could go to the registrar and say: John Smith is not entitled to vote, and in support of that statement I could give the most trivial reason; the registrar thereupon has it absolutely in his power to strike that name off the list. If that happened to forty men in a subdivision, the poll would be absolutely blocked. Such things have occurred and will occur again if this clause stands in its present form. It ought to be provided here that such a statement or declaration shall be submitted in support of the representations made that shall make the one who submits them liable to a charge for perjury if it is found that his representations are untrue. It is a shameful thing to give him the right to walk up and say: John Smith is not entitled to vote; I say so. Surely that is not right.

Sir SAM HUGHES: Is the registrar obliged to strike the man's name off when some one comes up and makes such representations?

Mr. PARDEE: He may if he feels so inclined. The power is vested in him to strike names off or to leave them on as he sees fit, on the most trivial evidence imaginable.

Mr. GUTHRIE: My hon. friend is assuming that the official in question is corrupt. If so, we have given him power not to put the name on in the first place. The argument is that if forty or fifty names were left off, on election day there would not be time to swear them on. It has never worked out that way. Wherever this rule has been tried it has worked with so much satisfaction to both parties that they are both in favour of it. It has been tried out in Saskatchewan and Alberta; there has been no hitch whatever. Some hon. gentlemen opposite, both in the House as well as out of it, have expressed themselves in favour of the principle; they do not even want an extra witness to vouch for the man. But somehow or other when we come down to this part of the country we find the idea prevailing that everybody who has anything to do with an election is going to be corrupt. Now, we appoint a man and we give him power to enumerate, to make that list. To prevent him from doing wrong we give anybody the right to come and vote on election day who takes an oath. Surely that is safeguarding him. I cannot do any better.

Mr. MACKENZIE KING: My hon. friend knows, because he alluded to it to-day, that there are in every community a number of people who are averse to taking an oath. A great many sects do not care to take an oath; a number of women who will be voting for the first time may be sensitive about taking an oath. It is quite possible under this section for any of these enumerators to strike off the list all those who are known to be unwilling to take oaths, and they would all be disfranchised on election day. That is the effect of it; I am sure that the section as it stands will disfranchise thousands of electors.

Mr. GUTHRIE: I will not assume for a moment that we are going to have faulty or corrupt registrars. I assume that we are

going to have in these positions responsible and honest men, and that these names are going to be on the lists. Even if we do fail in securing the name in every instance, we have applied the safety valve which enables the bona fide voter whose name has been left off to vote.

Mr. MACKENZIE KING: The minister must realize that we are absolutely right in assuming that every one of these officials is going to be a partisan. That is one of the features of the machinery.

Mr. GUTHRIE: I do not think that that is a fair assumption at all.

Mr. MACKENZIE KING: We have suggested that there be an appeal to some recognized branch of the judiciary so as to get away from this partisan aspect of it, but the minister has ruled out every suggestion respecting any kind of revision by a court of revision, leaving the placing of names on lists and the striking off of names in the hands of his own appointees. That is just about as arbitrary as it is possible to make a Franchise Act. But when the power extends to giving an individual the right to strike off the list the names of people who may be unwilling to swear—to deprive them of their vote unless they will take the oath—well, it really savours of an endeavour to disfranchise thousands of men and women.

Mr. GUTHRIE: No, it does not savour of an endeavour to do anything of the kind. I am willing to meet my hon. friend in any reasonable way, but I do not think that he is quite adhering to the arrangement we made in respect to that amendment. I understood that this section was to go through if I agreed to the amendment.

Mr. MACKENZIE KING: Not at all; not the whole section. My words will appear on Hansard.

Mr. GUTHRIE: I had a conversation with my hon. friend; he made one exception only. I am willing to meet him even yet, but I do not want to be driven to every possibility and to have the insinuation put up to me that everybody who is going to be appointed is going to be there as a partisan and for corrupt purposes. I am satisfied that it is not going to be so. I am satisfied that in every instance proper persons will be appointed and that the law will be well administered. We are adopting the principle in this Bill that in rural divisions the enumerators shall prepare the lists and that they shall hear the appeals, and to prevent their doing wrong if they are evil-disposed we provide that notwithstanding their decision a man shall have a right to vote. Now, I do not want to change this. The section has been drawn with the greatest care. I do not know where it will land us if we do change it. I certainly was under the impression this evening when we met that if I agreed to the amendment the clause would be agreed to.

Mr. MACKENZIE KING: I could not speak for other hon. members, but in regard to one particular point I raised I was ready to meet my hon. friend as suggested; I made no agreement respecting the clause as a whole, and would not have thought of doing so. I made it perfectly plain, my remarks as they appear on Hansard will, I am sure, bear me out. When the Government proposes to give to partisan enumerators the right to make lists of their own liking something should be done to provide that bona fide voters shall be protected in the matter of having their names remain on the list or of being placed on the list if their names are not there.

Mr. PARDEE: Mr. Chairman, may I suggest that rule 4 read as follows:

> If any registrar, at any time after posting up any voters' list, and not later than the tenth day before the polling day, is fully satisfied from representations made to him by any credible person under oath that the name of any person who is qualified as an elector to vote at the election...

And so on.

Mr. GUTHRIE: I agree to that. Put in the words "under oath" after the words credible person" on line 4.

Mr. MACKENZIE KING: Is it not necessary, then, to frame an oath to be added to the list of forms?

Mr. GUTHRIE: "If in like manner" means if under oath.

Mr. MACKENZIE KING: I am referring to the oath itself.

Mr. GUTHRIE: There we are; I do not know where we are going to land. It has to be sworn to, but I do not know what oath you can frame to cover the evidence.

Mr. MACKENZIE KING: There is no occasion for my hon. friend getting impatient in this matter. We are framing a law for the protection of the electorate, and the matter of my hon. friend's inconvenience for a moment or two is not one of any concern Unless the minister can have

patience with the committee, the committee will take its own course with him. I would ask the minister if he would interpret to the committee what he means when he says this officer is to administer an oath. What oath is to be administered?

Mr. GUTHRIE: I do not know. I accepted the amendment of my hon. friend (Mr. Pardee) that the words "under oath" should be added. I suppose it means that the man shall state such facts as he knows and swear to them. I cannot provide an oath for each individual because I do not know what the circumstances would be. I think the term "under oath" is pretty broad and would cover everything. I would say that any intelligent officer would certainly say: "Will you swear to that story you tell me?" That would be sworn testimony and, being under oath, it would meet the requirements of the Act. As I understand the matter, this is to avoid offhand statements.

Mr. MACKENZIE KING: I do not know whether the minister sees my point or not. What I am anxious to have him do is to give us some assurance as to the form of oath it will be necessary to have in this case.

Mr. GUTHRIE: I cannot suggest any other oath than "You swear that the evidence you shall give shall be the truth, the whole truth and nothing but the truth".

Mr. MACKENZIE KING: That is all I am asking the minister, that he give an interpretation to the words "under oath".

Mr. GUTHRIE: That would be my interpretation.

Mr. MACKENZIE KING: That is sufficient.

Amendment agreed to.

Mr. SINCLAIR (Guysborough): Should not some notice be given to the man whose name is asked to be struck off the list? This looks to me as if the thing were one-sided. When you give a registrar power, on the oath, that is really not an oath, of some person who says: I think
11 p.m. So-and-So should be struck off the list, to strike that name off, the man whose name is to be struck off has no notice; the thing is done behind his back, and when he comes to vote, he finds that his name is not in the list.

Mr. GUTHRIE: If this were a final decision, I would think notice should be given. But this is not final; the man has still his remedy; he can go and vote.

Mr. DENIS: I do not want to be insistent and I hope the minister will bear with me patiently. Would it not be preferable if proof of this oath could be made later on? As the matter stands now, proof cannot be made except by the registrar himself. This is a simple oath and it should be made so that proof could be brought out during or after the election at any time. In order to have this proof, it would be necessary only to have a particular form which would be very simple; namely: "I hereby declare and swear that Mr. So-and-So has a right to vote," and then to have the man sign that. Then, the proof remains. The form could be made in three lines, signed by the person who takes the oath, and the thing could be traced back. Otherwise, we have no proof at all that an oath has been given.

Mr. GUTHRIE: I prefer the form in the way my hon. friend (Mr. Pardee) put it. I think we all understand what is meant by viva voce evidence under oath.

Rule (4), as amended, agreed to.

Rule (5), as amended, agreed to.

Rule (6), agreed to.

Schedule B to section 32 agreed to on division.

Mr. GUTHRIE: With the unanimous consent of the committee, I move that we do now reconsider clause 33 which has been previously adopted.

Motion agreed to.

Mr. GUTHRIE: I move to amend clause 33 by substituting for the words "twelve months" on the first line of page 24 of the Bill the words "two years". We have changed the provision in clause 32 making lists available for two years.

Amendment agreed to.

Section 33 as amended, agreed to.

On section 2, paragraph (k)—list of voters:

Mr. GUTHRIE: This paragraph was allowed to stand. I move that it be passed.

Paragraph (k) agreed to, and section 2 agreed to.

Mr. GUTHRIE: With the unanimous consent of the committee, I move to amend clause 49 by inserting the words "and padlocks" after the word "boxes" in the fortieth line on page 34 of the Bill.

Amendment agreed to, and section 49, as amended, agreed to.

Mr. GUTHRIE: If my record is correct, that leaves clauses 19 and 76 still to be dealt with, clause 19 being the one under which the Chief Electoral Officer is appointed, and clause 76 being the one under which the fees of election officers are regulated. As regards both of these, I shall have to give the usual notice, and the matter will have to come before the committee. I do not know that I can proceed any further to-night, and therefore, I move that the committe rise, report progress and ask leave to sit again.

Mr. McKENZIE: Will the minister withdraw his motion for a moment? I wish to call attention to the schedule on page 113, which was dealt with this afternoon.

The CHAIRMAN: Does the minister withdraw his motion that the committee rise?

Mr. GUTHRIE: Yes.

Motion withdrawn.

Mr. McKENZIE: Some time ago I called attention to that part of schedule on page 113 which has reference to Nova Scotia. I understand that quite a number of names of advance polls were added this afternoon. I suggested to the minister some time ago that I saw no reason why the name of my town should be included in the schedule, because I do not know any one who wants to have the town of North Sydney named as an advance poll. On page 113 I see you have Bridgewater, Halifax, Kentville, Oxford, Parrsboro, North Sydney, Stewart, and other places. I really do not know where Stewart is, but I certainly do not think that North Sydney should be included in the list.

Mr. GUTHRIE: We added to the list to-day, Dartmouth, Glace Bay, Sydney Mines, Stellarton, Amherst, Windsor and Annapolis Royal. The list as printed in the Bill was supplied by members of the Railroad Brotherhood. They added the names of Dartmouth, Glace Bay, Sydney Mines and Stellarton, and it was moved in the House this afternoon that Amherst, Windsor and Annapolis Royal should also be added. I may point out to my hon. friend, a fact that he probably knows, that if it should prove at the next election that at any of these advance polls fewer than fifty votes are polled those advance polls will be abolished. It is required that there shall be fifty votes.

[Mr. Guthrie.]

Mr. COPP: If fifty votes are not polled at an advance poll that place will cease to be an advance poll?

Mr. GUTHRIE: If there are not fifty votes at such a poll at the next election it will be blotted out as an advance poll.

Mr. McKENZIE: These polls are established largely for the convenience of railway men, but although our town is on the main line, so far as I know we have no railway people living there. For that reason I see no use for an advance poll in that town. Most of the railway men live in Sydney. The train passes through our town, as it does through any other town along the line, and there may be one or two persons I know nothing about, but I am not aware of any railway people living in North Sydney.

Mr. GUTHRIE: There are just three classes for whom advance polls are provided. Previously we provided for sailors, commercial men railway men, "or other persons", but we amended the section to-day by striking out those last words, so that the section is now limited in its application to sailors, commercial men and railway men. As I have said, if at the next election there are fewer than fifty votes polled at an advance poll that poll will be removed. I fancy that some of them will not contain fifty votes.

Mr. DUFF: Supposing forty-five votes are polled at an advance poll?

Mr. GUTHRIE: Well, the Chief Electoral Officer will remove that place from his list of advance polls. The Act says that if fewer than fifty votes are polled at the next election it shall be removed.

Mr. DUFF: But the forty-five votes will count?

Mr. GUTHRIE: They would count in the next election, of course.

Mr. MACKENZIE KING: Is it the intention of the Government to proceed with the Naturalization Bill, of which they have given notice, before we go on further with the Franchise Bill?

Mr. GUTHRIE: If the Naturalization Bill carries we shall require to amend section 29 of the Franchise Bill. We shall proceed with the Naturalization Bill.

Progress reported.

## THE NATURALIZATION ACT, 1914, AMENDMENT.

On motion of Hon. C. J. Doherty (Minister of Justice) Bill No. 184 to revive and

amend the Naturalization Act, 1914, was read the second time and the House went into committee thereon, Mr. Boivin in the Chair.

On section 1—Naturalization Act, 1914, revived and declared to have been in force since date of its sanction:

Mr. MACKENZIE KING: The Minister of Justice gave quite a lengthy explanation of this legislation when it was introduced. If my rt. hon. friend would draw attention to any significant points now it might be unnecessary for him to repeat that explanation.

Mr. DOHERTY: On re-examination of the Act of 1919 we found that there were two omissions of clauses that ought to have been inserted and that there was a clause inserted which was not consistent with the legislation that had been agreed upon. That being so, it seemed to be advantageous that we should repeal the Act of last year, replace the Act of 1914, and start over from there. There is in that course the additional advantage that the two Acts of 1914—that is, our Act, which by the way was the first, and the British Act, of 1914—continue to be concurrent legislation. In the British system they have retained their Act of 1914 and amended it, and it seemed desirable, so far as we are concerned, that we should maintain in force our Act of 1914 and proceed by amending it. We shall then always have clearly in the amending sections of this Bill, and any amendments made in the future, clauses relating to legislation concurrent with that of the Mother Country and the other dominions. We have deemed it desirable to revive the Act of 1914, making any amendments now necessary apply directly to it instead of retaining the Act of 1919, which itself would require amendment.

On section 2—revocation of certificate of naturalization:

Mr. DOHERTY: The insertion of subsection (b) represents the substantial difference between the clause as we are now enacting it and as it was enacted last year. It was omitted last year. I have been unable to ascertain whether it was a mere oversight or whether there was any special reason for it. It ought to have been inserted. It was in the British Act of 1918 and it was amongst those clauses which formed the subject of previous consultation with the Dominions and which had been assented to. It is therefore one that we ought to have in order to maintain uniformity in the legislation.

Mr. EULER: Has the person whom it is proposed to denaturalize the right to demand an examination or investigation?

Mr. DOHERTY: It imposes an obligation on the Secretary of State to give him notice wherever revocation of his certificate is asked for upon any of the grounds set forth in paragraphs (a), (c), or (e) of subsection 2. That is where he:

(a) Has, during any war in which His Majesty is engaged unlawfully traded or communicated with the enemy;

(c) was not of good character at the date of the grant of the certificate;

(c) remains, according to the law of a state at war with His Majesty, a subject of that state.

In all these cases the Secretary of State is required to give him notice. In the other cases the Secretary of State may, if he deems proper, hold an inquiry before making his report to the Governor in Council. In that respect this is entirely the provision as it was passed last year the only difference being the inclusion of subsection (b).

Mr. EULER: Is there any good reason why the first part of section 7 as it is proposed here should not be included in the provisions which have just been quoted by the minister, under which the Secretary of State shall give a person the privilege of an investigation or examination? For example:

7. (1) Where the Governor in Council, upon the report of the Secretary of State of Canada, is satisfied that a certificate of naturalization granted by the Secretary of State of Canada under this Act or granted under any Naturalization Act heretofore in force in Canada has been obtained by false representation or fraud, or by concealment of material circumstances, or that the person to whom the certificate was granted has shown himself by act or speech to be disaffected or disloyal to His Majesty, the Governor in Council shall by order revoke the certificate.

That will cover all the cases in which a person is not entitled to investigation. Why should he not be?

Mr. DOHERTY: Under this clause the Secretary of State is not under obligation to hold an inquiry. He is under an obligation in regard to the particular clauses I have mentioned. All of this section 2 is the law as it was enacted last year. The particular provisions with regard to the cases in which the Secretary of State is under obligation to give notice are the provisions just as Parliament passed them last session, and it is not proposed to make any change in that respect at the present

time save to supply the omissions and to strike out a clause which I will point out later on. The reason of inserting these omissions is that they did form part of the amendments to the Act of 1914 which had been the subject of previous consultation before they were enacted by the British Parliament and which are necessary if our Part Two of the Act of 1914 is to be kept similar to the British Part Two of the legislation of 1914. In other words if both our legislations are to be kept uniform it is necessary in view of the previous consultation. I say "if both our legislations are to be kept uniform," because I do not want to create any impression that this system is carried out by the British Parliament enacting whatever it likes and then our being compelled to adopt the same thing. It is a matter of our proceeding by consent and concurrently. It places the British Parliament and ourselves, in dealing with this kind of legislation, in this position, that we have to conform to those things which have been previously discussed before either of us legislate.

Mr. EULER: Is this one of them?

Mr. PARDEE: Why should one be ex parte and the other not?

Mr. DOHERTY: When the question was proposed we were consulted, but it is to be pointed out that we did not raise the question then. It is also to be pointed out, as regards the clause which the hon. gentleman refers to, that the cause of revocation existed under the Act of 1914, as respects both our legislation and the British legislation, and it had never been considered necessary to provide for this special inquiry. The provision for the special inquiry was made when the new cases of revocation were introduced by the legislation which the British Parliament enacted in 1918, after the consultation to which I have referred. If it now appears to this Parliament that provision ought to be made for inquiry in all the cases of course it is quite possible for us to have a further consultation and make that provision, after we have arranged the matter with the Government on the other side. It is an incident of endeavouring to carry on concurrent legislation that each of the Parliaments has to deal with the matters which have formed the subject of previous consultation. If hon. members will read the British debates on the British Bill of 1918 they will see how careful that Parliament was, and how careful the minister directing the Bill was, to keep it always before that Parliament that even though suggestions that were made that might be desirable, action on them must be deferred to afford the opportunity for consultation. Now we are in precisely the same position.

Mr. PARDEE: Does not the Act give the Governor in Council power to act in the matter? Why should one application be ex parte and the other not? Why should not the man be heard as the Governor in Council and the Secretary of State have the right to determine?

Mr. DOHERTY: As I have pointed out it might be very much better that he should

Mr. PARDEE: Then, why not?

Mr. DOHERTY: I have tried to point this out: If we exercised our separate and distinct judgment, if the Parliament on the other side exercised its absolute independent judgment about this matter that we are trying to carry on by concurrent legislation, it may be that in this particular provision we would not destroy the necessary uniformity, but we will run the risk of it, and it is the part of prudence if we are going to keep our legislation concurrent that we should, in the modifications that we make, act after previous consultation with those who are expected to pass concurrent legislation with us. This whole system, I have no doubt, is susceptible of improvement, and I think it will call for improvement after proper opportunity for consultation upon the case. But I would ask hon. gentlemen to realize what we are doing now. We are only trying to put the legislation which Parliament passed last year—and Parliament last year was satisfied with this provision—we are only trying to bring it into proper form so that there may be no difficulty about the concurrence of our legislation with the British legislation. We are not proposing to take up the whole system for the purpose of improving it. The only object of going over these old sections at all is to put them in better form, and to bring out clearly the fact that our legislation is concurrent. I may say that if the British Government had not made these amendments at all we were all satisfied, ever since 1914, to go on with that particular first clause to which the hon. gentleman refers, without any provision for inquiry at all.

Mr. JACOBS: I only came in while the right hon. gentleman was speaking, therefore I am not fully conversant with the section that is now being discussed. I should like to ascertain from the minister if the British

Government has concurred in the change which is now proposed by this legislation.

Mr. DOHERTY: Yes, the British Government have most fully concurred. As I explained when introducing the Bill, it was found, on a more careful examination of the British legislation, that the draughtsman of the legislation of last year had misapprehended the effect of the provision in that legislation and had mistakenly concluded from it that the particular clause and some other clauses, were essential to be inserted in our Bill; whereas the true interpretation of the British legislation would not justify that conclusion, and we in our view that that is so resulting from a closer examination of the legislation,—were confirmed by despatches from the British Government in which they pointed out the misunderstanding that took place last year as to the necessity of inserting, just as it was, the clause that gave rise to the discussions that we had, and which gave rise to a further examination of the British legislation with the result of the submission of this Bill. There is perfect concurrence on that subject.

Mr. JACOBS: Without wishing to pry into any confidential communications between this Government and the British Government, may I ask, were not other representations made with regard to certain further improvements which might have been made in the Act we passed last year?

Mr. DOHERTY: On the part of the British Government?

Mr. JACOBS: Yes, on the part of the British Government.

Mr. DOHERTY: No, we have had no representations from the British Government looking to the improvement of the Act we passed last year.

Mr. JACOBS: Did this Government suggest any improvements?

Mr. DOHERTY: We could not very well suggest improvements to an Act which they had already adopted. What we are endeavouring to do now is to bring existing legislation into uniformity. In the course of the discussion of the Act in 1918 the Government did make promises that at the expected conference they would make further suggestions, and I may say that it is fully to be expected that we will have some suggestions to offer looking to future modifications; but for the present the purpose of this Bill is simply to get our legislation into actual conformity.

Mr. MACKIE (Edmonton): The last portion of section 7 reads, "has shown himself by act or speech to be disaffected or disloyal." Are the words "disaffected" and "disloyal" used as synonyms? If not, then what act or speech would be calculated to be a loss of affection for this country?

Mr. DOHERTY: On different occasions the courts have been called upon to interpret that word, but I am not in a position this evening to define just exactly what would constitute "disaffection." As I have already said several times, we are not now making substantially new legislation, we are dealing with the form of existing legislation. That clause, even without the passing of this Bill, would already be the law of this country, and therefore I did not come prepared to go into a discussion of what is already the law. But speaking in a general way there is perhaps not a very easy line of demarcation between what constitutes disaffection and what constitutes disloyalty. I think that while not being absolutely synonymous the two words are so closely related that any one might be excused if he mistook one for the other.

Mr. MACKIE (Edmonton): Has the British Parliament the same power as is now given to the Governor in Council under this Bill?

Mr. DOHERTY: Certainly, they have the same power.

Mr. PARENT: The only fault with this law is that it gives too much power to the Secretary of State. It is true that the form of the section would leave any person under the impression that the Governor in Council will act in a matter of this kind. But I must take it for granted that the minute the Secretary of State makes a recommendation or report the Governor in Council will act upon it, and that therefore it may be assumed that all those powers are given to the Secretary of State himself. And we go further than that. Under section 3 we find these words:

> The Secretary of State of Canada may, if he thinks fit, before making a report under this section, refer the case for such inquiry.

In other words, it is left entirely in the hands of the Secrtatry of State to decide whether or not a man should be denaturalized. The proceedings are ex parte, for nowhere in the law is the man who is going to be denaturalized given a chance to present his case against denaturalization. In

my opinion it gives too much power to the Secretary of State and is wrong in principle.

Mr. DOHERTY: In the years to come the hon. gentleman may have an opportunity of testing by experience that when a power is conferred upon the Governor in Council to do something upon the report of a minister, it does not by any means follow that the Governor in Council will act upon every such report. I may confide to the hon. member that I have been through the experience myself of making reports that were not adopted by the Governor in Council.

Mr. PARENT: No doubt that was in bigger cases. But in these denaturalization cases the report of the Secretary of State will go as a matter of course.

Mr. DOHERTY: I may point out to the hon. gentleman as indicative of our expressed intention upon that subject that the corresponding section of the British Act gives power absolutely to the Secretary of State without the intervention of His Majesty in council at all. But, inasmuch as we have the liberty to designate what authority within this country shall exercise different powers, Parliament wisely decided that this power should be vested in the Governor in Council, not in any one minister and it is the Governor in Council that requires to be satisfied. In three out of five cases of revocation it is the duty of the Secretary of State to give notice to the party concerned so that he may have an inquiry. It will always be in the power of the Governor in Council, if it is of opinion that enquiry is necessary and the Secretary of State has reported without inquiry, to refer the report back until inquiry is made, so that the parties concerned will have the full protection of the Governor in Council.

Mr. EULER: I understood the minister to say that the reason he could not place in the same category as the the others this particular clause whereby the person whose certificate is to be cancelled has the right to a hearing before a judge, was that it would destroy uniformtiy so far as the British Act is concerned. I understand the minister to state now that the British Act is not the same as ours with respect to these clauses which give to the people the right under certain circumstances to be tried before a judge. I would suggest under the circumstances that we might also place this clause in the category of the others. I think the principle would be absolutely right.

Mr. DOHERTY: The hon. gentleman misunderstood me. I said in regard to what authority exercises the powers of granting certificates or of revoking them, we might have designated the Governor in Council or the Secretary of State. There is no need for uniformity in that regard; and if we thought it desirable I am not prepared to say that we could not provide for inquiry in all these cases. But even though it be our opinion that it would be better to do that—in other words, that the British Parliament did not go far enough—I called the attention of the House to the undesirability of our proceeding by making differences unless they are really of major importance and cannot possibly wait for consultation. But if we get away from dealing only with matters concerning which there has been consultation, sooner or later one of the Parliaments concerned will find itself perhaps unconsciously outside of the uniformity. As I say, the British Parliament was scrupulously careful not to enact anything that would be necessary to the general Imperial naturalization without previous consultation with the Dominions. I think that we owe them the courtesy of following that example, even though we may adhere, perhaps, a trifle more than is absolutely necessary to uniformity in our provisions. I would not like by this Bill, which was introduced largely for the purpose of clearing away a misunderstanding, to start out to make a general improvement of existing law. I do think that there is room for improvement; if I continue to have any responsibility in connection with the matter, there are suggestions which it seems to me might very properly be made. As I have said, the minister charged with the Bill of 1918 when it went through the Imperial House observed, with regard to different suggestions that came from members there, that he thought they would form a proper subject of consultation in the future.

Mr. McKENZIE: If subsection (b) on page 2 is an old section I have nothing to say about it, but if it is new I think it is rather severe. It mentions a term of penal servitude; that might be a month in jail or it might be a fortnight, I suppose.

Mr. DOHERTY: As I understand it, penal servitude in this country requires to be a sentence of two years in the penitentiary. I do not know just exactly what the period is in England. As to this being a new

clause, it was omitted from our Act of 1919 but it was in the British Act of 1918 and was included in those amendments which the Imperial authorities submitted to the governments of the Dominions before they introduced the Bill. It is, therefore, one of the clauses which, if our legislation is to carry out the results of previous consultation, ought to be included in the Act. That does not mean that a man's certificate must be revoked in such case. Hon. members will notice the concluding clause of these enumerations:

> And that (in any case) the continuance of the certificate is not conducive to the public good.

So that if the Governor in Council had no reason to consider that the maintenance of the certificate would be not conducive to the public good, the Governor in Council would be at perfect liberty not to revoke the certificate.

Section agreed to.

On section 4—application to court.

Mr. MACKIE (Edmonton): What authorities are contemplated by the words:

> And in the Northwest Territories to such authorities or persons as the Governor in Council may prescribe.

Mr. DOHERTY: As the hon. gentleman knows, the Northwest Territories are now very considerably reduced, and they have not any organized system of Government.

Mr. MACKIE (Edmonton): Would the power be vested in a commissioner, or would the Government appoint any particular tribunal to deal with this matter?

Mr. DOHERTY: I think, in all probability, the power would be vested in a commissioner. I think this form is adopted leaving liberty to the Governor in Council in view of possible developments of the territories. To-day our choice would be exceedingly limited, but as time goes on, we may have opportunity for a wider scope.

Section agreed to.

On section 5—issue of certificate of naturalization:

Mr. EULER: In the riding which I represent there were in 1918 some 90 or 93 men who made application and passed a judge, and their applications came to the Secretary of State but they have never been acted upon. Will it be necessary for these men to go through the whole procedure again and have their names posted up for three months, or will their applications be accepted without any further formalities?

Mr. DOHERTY: Before answering that question absolutely, I should like to see how far the proceedings had gone.

Mr. EULER: I think it was done under an Order in Council.

Mr. DOHERTY: This is not a matter to be dealt with in my own department, so perhaps I should not undertake to speak for the minister who has the decision of the question and who would be my hon. colleague the Secretary of State (Mr. Sifton). But my impression of the matter would be that if all those formalities had been complied with and application was pending before the Secretary of State, calling only for action by him, his action would be impeded since last year by the enactment of the section which dealt with the ten-year period, and which we are about to deal with in this Bill. If that obstacle be removed in the particular cases referred to by the legislation we are now dealing with, while, I say, I cannot undertake offhand this evening to bind the minister concerned, it would seem to me that he would be entitled to go on and act upon the evidence already before him without requiring it to be made all over again.

Section agreed to.

On section 6—section 26 of the Act of 1914 repealed:

Mr. PARDEE: What is section 26?

Mr. DOHERTY: That is a section which last year disappeared from the Act of 1914 by the legislation of 1919. It was a section in the third part of the Act of 1914 dealing with our own procedure and in no way connected with that portion which requires to be uniform. In the original Act there was a provision that commis-

12 m. sioners might be appointed for purpose of taking oaths under that Act. Under section 24, which is reintroduced from the Act of 1919, the applicant is authorized to take the oath before any person duly authorized to administer judicial oaths by the laws of the province in which the applicant resides. That being so, the necessity for appointing commissioners especially to take oaths under this Act disappeared, and I think both the minister immediately concerned with the Bill of last year, and Parliament, thought it undesirable to have special commissioners

under this Act, and I must say I concur in this view. This is just to leave oaths under this Act to be administered by officers who administer oaths generally.

On section 7—certificates granted to enemy subjects since 4th August, 1914:

Mr. DOHERTY: The change is the addition of paragraph (d).

Mr. EULER: Subclause (2) establishes what might be termed the ten-year probationary period for those of former alien enemy origin. While it permits naturalization of those who have previously lived in Canada for ten years, it does not make provision for those who may attain the full ten-year residence in Canada after 1909. As this law stands now, the effect of it would be that any person of former alien enemy nationality who was resident in Canada on July 7, 1909, could now be naturalized, but a man who came to Canada in the fall of 1909, or in 1910, 1911, 1912, 1913, could not obtain naturalization until 1929. That is, he would have to go through a probation of from sixteen to twenty years. Such persons must wait until July 7, 1929, before they can be naturalized. It would be fair to insert a provision that just so soon as a man of that kind has lived here for the full period of ten years, he should become eligible for naturalization. For instance, if he came to Canada in 1912, he should be eligible for naturalization in 1922. There should be even another provision made for exceptional cases, such provision, for example, as we find in the United States. If a man has not been there ten years the President has reserved to him the absolute right to grant him a certificate if his loyalty and general fitness are proved. Take for example the case of a man who came from the United States to Canada, having been away from Germany— and I know of an instance of this kind—for a good many years. He lived in the United States and took out his first papers, but he never completed his naturalization in the United States. He came to Canada, has not been here quite ten years and will not be eligible for naturalization.

Mr. DOHERTY: Was he naturalized in the United States?

Mr. EULER: He had taken out his first papers only.

Mr. DOHERTY: In answer to my hon. friend I may say that this particular subsection was taken practically verbatim out of an address of his own,—

[Mr. Doherty.]

Mr. EULER: I was going to mention that.

Mr. DOHERTY: —in which he set forth what he at that time thought would be a proper measure. But, quite apart from that, I appeal to the hon. gentleman whether it is not a reasonable requirement on our part, in extending this exceptional opportunity, that the parties to whom it is to be extended should have lived some period in this country before the war, and should during that period and during the war have had an opportunity of giving proof of that loyalty, and so forth, which is required. I think the committee will be unanimous on this point, that the provision that suspends for a time the naturalization of people who have just come into this country since the war is a proper precaution under the circumstances. Without any feeling of vindictiveness whatever, we must realize, I think, that this is only a necessary and proper precaution to take. After all, if we analysed our feelings towards those who were our enemies, and proceeded, in a not unfair process of reasoning, on the assumption that our enemies, being human like ourselves, might very probably entertain towards us the same kind of feelings that we have in respect of them, we would come to the conclusion that it was only fair to say to those coming after the war: "You should wait your ten years until we have had ample opportunity of judging of your conduct in the future." We are extending the benefit of citizenship to a certain class of people for whom exemption from the provisions of the law, as applicable to those who are coming in, is granted; and I do not think it is unfair to say that we should extend this benefit only to those whom we have had for ten years under our eye before the termination of the war. I do not think that on reflection the hon. gentleman, whose zeal on behalf of those whom he represents I admire, will see that we have gone as far as we ought fairly to be asked to go, and that while cases of this class of people must appeal to every one's sympathy, we are after all acting as generously as we could be asked to act, by making this present provision. At all events, we are meeting the cases of all the people on whose behalf, up to this evening, I have heard any special appeal made.

Mr. EULER: The minister states that this clause was drafted practically according to an amendment I offered last year. That is true, and it was simply by an over-

sight on my part that I did not make provision in my amendment last year—which did not carry after all—for those people of whom I am speaking. I am not accustomed to drafting laws, and perhaps I might be excused in view of the fact that last year the statement was made that the British Act did not allow this clause to be accepted, whereas we find that the Acting Solicitor General (Mr. Guthrie), the President of the Privy Council (Mr. Rowell) and even the Prime Minister (Sir Robert Borden) were all wrong in their reading of that Act. I will point out that in the case of the people whose naturalization we have been discussing there is a double safeguard. After all, they must run the gauntlet of an examination before the judge, and the application must pass the Secretary of State. So that if either of these two men had the slightest suspicion as to the loyalty or fitness of any man making an application he would simply turn him down, and there could be no possible danger. This fact will remain, that the man who came in prior to July 7, 1909, can obtain naturalization, but the man who came in August, 1909, has to wait until 1929, twenty years. That does not seem to be altogether fair.

Mr. DOHERTY: Perhaps, as time goes on, we may have opportunity for giving further consideration to that suggestion. As to the contrast the hon. gentleman makes, the case of the man who has to wait twenty years looks harsh only because of the consideration that we have extended to those who had been here the ten years required. It is rather discouraging to find that when you extend a consideration it is immediately used as an argument to show what an awful hardship some one, whom your considration does not reach, is suffering. We have to draw the line somewhere if this clause is to be enacted at all, and wherever we draw that line it will make a difference of ten years between the man on one side and the man on the other side of it. I think that, for the time being at all events, the present amendment which we are making meets amply all the cases that have been pleaded to us. We have met them absolutely, and we have reserved merely this one precaution, that we should require ten years in the country after the war, or a corresponding ten years before the termination of the war. It might not have been unreasonable, and it would have ballanced it, if we had said ten years before the beginning of the war. But we have counted the war years in the ten, so that we have left ourselves with a very narrow margin after all. I think that on reflection my hon. friend will see, notwithstanding his highly creditable zeal for those whom he represents, that under conditions as they are the provision we have made goes as far as we would be justified in going. Now, the hon. gentleman seemed to think that an observation I made involved something that might call for excuse on his part. I did not mean to make any criticism of him in that regard, nor do I think there was occasion for excuse. I merely desired to point out that cases that appealed to the hon. gentleman in the first instance have been fully met, and I think we might be given a little time to think over whether we ought to entertain the further appeal that is made this evening to extend this consideration.

Mr. ARCHAMBAULT: Will paragraph (b) subsection 2 of section 7 apply to a citizen of Alsace-Lorraine whose sympathy was with France and opposed to the enemy Government but who was a subject of Germany?

Mr. DOHERTY: I fancy that Alsace-Lorraine was the typical case that was in mind. During the war, once any French authority was prepared to vouch for the feelings of a citizen of Alsace-Lorraine, we never treated him as an alien enemy. It would apply to any person in that position.

Mr. WHITE (Victoria): I would like to call the attention of the minister to the position of one particular class of people as it is affected by this Act. There is a very large class of settlers in Western Canada who came in 1909 and 1910, and took up land with the full understanding that they could become citizens and receive their naturalization papers and patents after the expiration of a certain time. I think there has been some provision made to allow them to secure the patents to their land. I think the Minister of the Interior (Mr. Meighen) said last year that was the intention of the Government. But still it appears very unfair to them to deny them the rights of citizenship under the circumstances. Although they have to pay municipal taxes, no matter how progressive many of them are in the settlement no one is allowed to become a councillor or a school trustee if he is not a citizen. These people are at a great disadvantage through no fault of their own.

Mr. ROWELL: Of what nationality are they?

Mr. WHITE (Victoria): Any description of enemy; it might be Austrian, or any of the nationalities precluded for the coming citizen by this Act.

Mr. ROWELL: If they were Poles, or if they came from Czecho-Slovakia they would come in under this subsection.

Mr. WHITE (Victoria): I quite appreciate that, but still there remain a lot of people who came in believing that they were coming in under certain conditions which have not been recognized. The Act does not relieve them, I know some people who are very progressive but who have only been in the country for eight or nine years. They have been prosperous and have greatly assisted in the development and the production of the country. Still they are put in a class by themselves. The President of the Privy Council told us the other night how the Mounted Police were used to travel amongst this very class of people and try to discover any cases of the use of seditious language or any disloyal act but in none of the districts of East Edmonton or Victoria were they able to get a conviction. That is certainly a certificate that these people in the last ten years behaved loyally and well. These people cannot hold any public office, and at the same time they are useful, progressive citizens and no fault has been found with them.

Mr. MACKIE (Edmonton): My hon. friend is probably mistaken as to one feature of this case. The people he refers to are probably the ones who come from Galicia. They were under Austria at one time. Western Galicia is now classed as Polish territory, and all who came from that portion of Galicia under Polish dominion are able to get their naturalization papers without further difficulty. The only question that remains is as to those who came from Eastern Galicia and they are counted as alien enemies as they came from German Galicia. My hon. friend is mistaken as to the other class because they are capable of being naturalized as friends.

Mr. WHITE (Victoria): Where there have been new territories created I have no doubt these people will be relieved, but it does not relieve their neighbours who may be just as good citizens.

Mr. MACKIE (Edmonton): Then if Eastern Galicia does not belong to Austria it will be a question of the League of Nations to determine where Eastern Galicia shall go. Eastern Galicia does not belong to Austria to-day but for the present those coming from Eastern Galicia are not being given their naturalization papers. All those who come from Western Galicia can be naturalized.

Bill reported, read the third time and passed.

On the motion of Right Hon. Mr. Doherty, the House adjourned at 12.25 a.m. Tuesday.

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## Tuesday, June 22, 1920.

The House met at Two o'clock.

### COMMITTEE ON PENSIONS AND RE-ESTABLISHMENT.

MOTION COMMENDING FINAL REPORT TO CONSIDERATION OF GOVERNMENT—BY MR. HUME CRONYN, CHAIRMAN OF THE COMMITTEE.

Mr. HUME CRONYN (London) moved:

That the third and final report of the Special Committee on Pensions and Re-establishment be considered and that the recommendations contained therein be commended to the consideration of the Government.

He said: In rising to move the consideration of the report of the Committee on Pensions and Re-establishment, I find it difficult to determine to what length my remarks should run. After being for the past nine weeks daily—nay almost hourly—immersed in the business of the committee, it is well nigh impossible to decide how much of what was accomplished is a matter of common knowledge, or to what extent explanations may be necessary or acceptable. The report, in a sense, speaks for itself, and to members of the committee who have been called upon to earnestly consider and very carefully discuss the various matters dealt with in the report, there may seem little that can be usefully added. Owing to the approaching end of the session it would as well be most inexpedient to weary the House with lengthy remarks, and I therefore propose to deal as briefly as possible with the main items of the report, in the belief that by means of questions which may be asked any matters of doubt will be made clear.

As the report states, the reference to the committee dealt with two distinct—although allied—questions: the first—that of pensions, and the second, re-establishment.

Dealing with the subject of pensions: In June of last year the Parliamentary Committee appointed to draft the Pension Act brought in its report, which contained recommendations increasing the annual liability of the country in this connection, by $8,000,000. The report now under consideration recommends certain increases in pensions which will involve the addition of a like liability, that is to say—the Pension Bill of the country, if these recommendations be adopted, will be increased by nearly 8,000,000.

The number of disability pensioners at the end of the fiscal year was 69,583; if we add to these the dependent pensioners, the wives and children of disability pensioners, and the children of widows, we find the total number of beneficiaries to be 177,035. The amount which will be paid to these pensioners for a period of 12 months on the present scale is estimated at over twenty-five millions. If we add to this sum the increases suggested, we find our annual pension bill totals about thirty-three millions.

The history of pension legislation since the beginning of the Great War shows a steadily ascending curve in the scale of pensions adopted. I am not now saying that increases made in the past were sufficiently ample: unfortunately, during the same period, the cost of living has also increased, or to put it in another way, the value of the dollar has diminished. Let me in a word mention the increases already made. The first provision was arrived at just five years ago, when $264 a year was fixed as a pension for the totally disabled of the rank and file, a similar amount being awarded to widows or dependent widowed mothers of those who were killed. It may appear astonishing, but this rate was an appreciable increase over those which had been in force prior to the Great War.

About a year later, that is to say—in June of 1916—the total disability pension was raised to $480, and that to widows and mothers to $382. In October of 1917 the pension for a totally disabled private soldier was raised from $480 to $600 per annum, and that of the widow and mother from $382 to $480 a year. In June of last year a bonus of 20 per cent on the above-mentioned pensions was recommended and, under the Pension Act passed at the time, went into force as at the 1st September, 1919. The result of this bonus is that a totally disabled member of the forces below the rank of lieutenant receives $720 a year, while his widow or dependent parent is entitled to $576 per annum. We have had, therefore, since the outbreak of the war, three distinct increases in the amounts paid to the above-named classes of pensioners, two of them being permanent increases, and the last being reached by way of a bonus.

As the report states, a fourth increase is now being recommended, to be given effect to in the same manner as the increase of last year, that is—by way of bonus. The permanent figures which were arrived at in 1917 are taken as the standard or basic rate, and the bonus recommended is to be calculated upon the pensions then fixed.. The bonus being one of 50 per cent, the result is that a totally disabled member of the rank and file—whose pension in 1917 was $600—will receive $300 additional, or $900 in all. This does not mean an increase of $300 over the payments he is receiving during the present year, because, as was stated before, he was awarded—from 1st September last—a bonus of 20 per cent, which yielded him an increase of $120 a year, and thus gave him a total of $720. His net gain by means of the present increase will, therefore, be the difference between $720 and $900, or $180 per annum. Following the same rule, the pension of the widow or of the widowed mother, fixed in 1917 at $480 a year, will be increased by a bonus of 50 per cent or $240. As, however, at present she is in receipt of a bonus of 20 per cent on the basic pension, the net increase resulting from the recommendations in the report will be the difference between $576 and $720, or $144 a year.

This increase of pensions from 20 per cent to 50 per cent has been recommended by the committee to apply only to the cases of those pensioners who are resident in Canada; so far as pensioners resident outside of Canada are concerned, the recommendation is that the present bonus of 20 per cent should be continued for another year.

As set out in the report, the increased pension has been recommended because of the steadily advancing cost of living. The evidence before the committee was clear that in many parts of Canada—even were it possible to make ends meet on the pension and bonus being paid to-day—there was certainly no margin left for any unforeseen emergencies such as illness, etc. In the hope that in some happier future the cost of living may once more sink to a more reasonable level, it was deemed wise to provide for the existing emergency by means of a bonus. It has been argued, and with some reason, that a bonus is not so certain, and therefore a less satisfactory method to the pensioner of providing what he is to re-

ceive, but he should feel assured that it will be continued so long as present prices prevail. The figures published by the Department of Labour, purporting to show the cost per week of a family budget, including staple foods, fuel, lighting and rent, as determined by the average prices in 60 cities, prove that this cost rose from April of 1915 to the same month this year—80 per cent. While these figures omit the important item of clothing, yet they can be fairly treated as an index of the cost of living, and so long as no sensible decline is shown thereby pensions should not be decreased.

Before leaving the items already discussed, it might be well to point out that a proportionate amount of the $900 which under the new scale will be awarded to the totally disabled members of the rank and file, will be paid to those suffering from disabilities which are less than total. For instance, the man who has a 50 per cent disability, and whose pension on the basic rate is at present $300, will receive a 50 per cent bonus, or $150, making his total allowance $450 per annum.

The result of these various increases is to bring to a parity the pensions paid to or in respect of all ranks below that of Captain; and the added cost thereof to the country, it is estimated will amount to $3,650,000 per annum.

Pensions to the dependent parents are increased in like manner as those to widows: that is to say:—the dependent father or mother of a soldier who died leaving neither widow or children, will receive by way of pension a bonus precisely the same amount as would have been paid to his widow.

Those who were in the House a year ago will recall the discussion which took place over the pensions allowed to dependent widowed mothers. While these mothers are, under the Pension Act, awarded the same rates as those to widows, their pensions are subject to a deduction if they are in receipt of an independent income from outside sources: it is true under the Act that no deduction could be made because of the personal earnings of any widowed mother, but the Act was so construed that if she owned her own home, or had the advantage of free lodgings, she was held to be in receipt of an independent income of from $10 to $15 a month. Much complaint has arisen on this score, particularly from those widowed mothers who, until the passing of the Act had been in receipt of their full pension of $40 a month. Your committee felt a change in the law was called for, and accordingly recommends that the advantage of free lodgings should not be counted against the pensioner, nor, so long as she resides in Canada, should her pension be reduced because of her income from outside sources, unless that income exceeded the sum of $20 a month. If, therefore, a widowed mother residing in any part of the Globe, owns her own home or is able to earn something by her own exertions, her pension will not be reduced; and if she resides in Canada, she can as well enjoy an independent income up to the sum of $240 a year.

It will be readily understood that these concessions to widowed mothers will seriously add to the liability under this head. Not only will many mothers whose pensions have heretofore been reduced receive their pension in full, but there will be brought on to pension numbers whose incomes from outside sources have hitherto barred them. The estimate of the increased liability in this respect is $2,400,000. It appears to me to be a large one, but it was prepared by the officials of the Pension Board who, although admitting the difficulty of accurately forecasting the result, believe it would not be safe to place the amount at a lower figure.

Thus far we have been dealing solely with increases in pensions brought about by means of the bonus suggested. In addition to these increases, the committee suggest that larger pensions in certain other cases should be awarded. These increases are not made by means of a bonus, and they apply equally to all ranks.

At the present time, if a total disability pensioner be married he is entitled to an increase in his pension of $180 a year. It is proposed that this pension shall be made $300 per annum. This will mean that the totally disabled married man without a family will receive $900 for himself and $300 for his wife, viz:—$1,200 a year, or $100 per month. This is an increase of just $300 more than he receives to-day. If he has one boy of 16 or under, or a girl of 17 or under, his pension has been increased by $12 per month, or $144 a year: it is suggested that this allowance be increased to $15 per month, or $180 a year. For a second child he receives $10 a month; it is now suggested that this be increased to $12 a month: and for each subsequent child below the above ages, instead of receiving an additional $8 a month he will be allowed $10 a month. As in the case of pensions to soldiers, these increases will be allowed in proportion to those whose disabilities are

less than 100 per cent. The estimated increased liability on this head is $1,000,000 per annum.

The widow of a deceased soldier, no matter of what rank, had last year her pension increased for her first child, if under the ages above mentioned, by $15 a month, or $180 a year. No change is suggested in this allowance: but the allowances on behalf of a second, third or subsequent child or children is increased to those proposed for similar children of a totally disabled pensioner. In other words, the children of the totally disabled man and of the soldier who has died are put upon the same basis. These increases, it is estimated will cost $220,000 a year.

It has taken some time to set forth the recommendations of the committee covering the increases thus far mentioned. The report contains a series of tables illustrative of the figures just quoted, which convey in a brief and clearer fashion what the results of these increases will be. With the permission of the House I should like to have these tables extended on the record without taking up the further time required to read the same. While they now appear in the Votes and Proceedings, there is an advantage in having them embalmed (to use the expression of my friend from Springfield) in Hansard. When the question of pensions in future comes before the House, these tables will permit the member to grasp at a glance what was recommended at this time.

Included in these tables are figures showing to what extent the suggestions made by the committee will increase the pension to a totally disabled married man with a family of three chidren of pensionable age. In 1918 such a man received a total of $1,140 upon which to support himself and his family; this year, with the added bonus of 20 per cent he is being paid $1,260; while under the proposed new bonus and the increases suggested on account of his wife and children, he will be paid a yearly pension of $1,644. This class of pensioners, comprising as it does the average family of five, thus has its income increased by $504 over that of 1918, or $384 beyond the amount being paid to-day.

(a) Pension for total disability (per annum).

| Rank or Rating of Member of Forces. | Basic Rate. | Present Bonus. | Total. | Basic Rate. | Proposed Bonus in Canada. | Total. |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| Privates and Corporals (Military), Ratings below Petty Officer (Naval)..... | 600 00 | 120 00 | 720 00 | 600 00 | 300 00 | 900 00 |
| Sergeants, etc. (Military), Chief Petty Officer, etc. (Naval)..... | 637 50 | 82 50 | 720 00 | 637 50 | 262 50 | 900 00 |
| Regimental Sergeant-Major, etc. (Military), Naval Cadet and Midshipman (Naval)..... | 775 00 | Nil. | 775 00 | 775 00 | 125 00 | 900 00 |
| Warrant Officers (Military and Naval).. | 850 00 | Nil | 850 00 | 850 00 | 50 00 | 900 00 |
| (b) Pension for widows of | | | | | | |
| Privates and Corporals (Military), Ratings below Petty Officer (Naval)..... | 480 00 | 96 00 | 576 00 | 480 00 | 240 00 | 720 00 |
| Sergeants, etc. (Military), Chief Petty Officer, etc. (Naval)..... | 510 00 | 66 00 | 576 00 | 510 00 | 210 00 | 720 00 |
| Regimental Sergeant-Major, etc. (Military), Naval Cadet and Midshipman (Naval)..... | 620 00 | Nil. | 620 00 | 620 00 | 100 00 | 720 00 |
| Warrant Officers (Military and Naval).. | 680 00 | Nil. | 680 00 | 680 00 | 40 00 | 720 00 |
| (c) Pension for dependent parents of | | | | | | |
| Privates and Corporals (Military), Ratings below Petty Officer (Naval), (not exceeding)..... | 480 00 | 96 00 | 576 00 | 480 00 | 240 00 | 720 00 |
| Sergeants, etc. (Military), Chief Petty Officer, etc. (Naval), (not exceeding).. | 510 00 | 66 00 | 576 00 | 510 00 | 210 00 | 720 00 |
| Regimental Sergeant-Major, etc. (Military), Naval Cadet and Midshipman (Naval), (not exceeding)..... | 680 00 | Nil. | 620 00 | 620 00 | 100 00 | 720 00 |
| Warrant Officers (Military and Naval), (not exceeding)..... | 680 00 | Nil. | 680 00 | 680 00 | 40 00 | 720 00 |

(d) Pensions in respect of wives and children of total disability pensioners (all ranks):

| | Present rate. (Yearly) | Proposed rate. (Yearly) |
|---|---|---|
| Wife | $180 00 | $300 00 |
| First child | 144 00 | 180 00 |
| Second child | 120 00 | 144 00 |
| Subsequent children | 96 00 | 120 00 |

(e) Pensions in respect of chidren of widows (all ranks):

| | Present rate. (Yearly) | Proposed rate. (Yearly) |
|---|---|---|
| First child | $180 00 | $180 00 |
| Second child | 120 00 | 144 00 |
| Subsequent children | 96 00 | 120 00 |

(f) Pensions in respect of orphan children (all ranks):

| | Present rate. (Yearly) | Proposed rate. (Yearly) |
|---|---|---|
| First orphan child | $360 00 | $360 00 |
| Second orphan child | 240 00 | 288 00 |
| Subsequent orphan children | 192 00 | 240 00 |

Estimated increased liability $17,000 per annum.

(g) The totally disabled man having a wife and three children (of pensionable age) as a result of the changes suggested above would have his yearly income increased from $1,260 to $1,644, made up as follows:—

| | Present rate. | | Proposed rate within Canada. | |
|---|---|---|---|---|
| | Monthly. | Yearly. | Monthly. | Yearly. |
| Totally disabled man | $60 | $720 | $75 | $900 |
| Wife | 15 | 180 | 25 | 300 |
| First child | 12 | 144 | 15 | 180 |
| Second child | 10 | 120 | 12 | 144 |
| Third child | 8 | 96 | 10 | 120 |
| Total | $105 | $1,260 | 137 | $1,644 |

(h) Amounts payable annually to those of the rank and file permanently totally disabled under the new scale suggested for Canada and under the existing rates so far as known in the countries of the allied belligerents.

| | Single man. | Man and Wife. | Man, Wife and child. | Man, Wife and 2 children. | Man, Wife and 3 children. | Each additional child. |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| Canada | 900 00 | 1,200 00 | 1,380 00 | 1,524 00 | 1,644 00 | 120 00 |
| Great Britain | 506 13 | 632 66 | 727 56 | 803 46 | 879 42 | 75 92 |
| Australia | 379 60 | 569 40 | 695 93 | 790 74 | 854 01 | 63 26 |
| New Zealand | 506 13 | 759 20 | 885 73 | 1,012 25 | 1,138 80 | 126 53 |
| South Africa | 379 60 | 506 13 | 601 12 | 685 36 | 759 20 | 63 26 |
| United States | 1,200 00 | 1,200 00 | 1,200 00 | 1,200 00 | 1,200 00 | Nil. |
| France | 480 00 | 480 00 | 540 00 | 600 00 | 660 00 | 60 00 |
| Italy | 243 33 | 291 99 | 318 75 | 345 51 | 372 27 | 26 76 |

Mr. SPEAKER: May I suggest to the hon. member, if it is agreeable to him, that he move down nearer the centre of the Chamber. I am not sure that from where he is now speaking all hon. members can hear him distinctly.

Mr. CRONYN: I thank you, Mr. Speaker, and will with pleasure act upon your suggestion. (The hon. member moved to a position in the front row of benches in the centre of the Chamber, and continued his remarks).

How shall we determine whether the pension arrived at under the proposed new scale will enable a family to be maintained in decent comfort? What is to be the test? Our country is widespread; living conditions and prices vary considerably as one passes from one province to another; even within each province there is a marked difference between cost of living in the larger centres and that in the smaller towns, or throughout the rural sections. It would be a practical impossibility to fix a different scale for different localities. To mention only one difficulty: human nature being such as it is, that locality having the highest scale of pension would become the Mecca for pensioners; urban centres would be still more crowded; rents, and perchance even other prices, would rise still higher, and the result would intensify the discomfort and want. The scale fixed must, therefore, be a general one applicable throughout the whole countryside, and perforce must be sufficiently generous to cover the cases of those residing in the more expensive centres. Not only before the committee, but on previous occasions, evidence was submitted on the cost of maintaining the average family. Consideration was given to the figures published in our own Labour Gazette and to the results obtained from similar researches in the United States.

Personally, I was impressed by the evidence of Miss Helen Reid, of Montreal, who since August of 1914, has done continuous and splendid work for the Patriotic Fund. It was apparent to me from her evidence, and the material submitted, she had made an exhaustive study of this question. Her statement showed that both Canadian and American investigators thought a single man should be allowed $900 a year upon which to live; and her recommendation was that the average family of five should receive $1,575 per annum. The suggestion of this committee fixes the allowance of the single man at the figure mentioned, but surpasses those for the family by $65.

There is much talk of the high wage today to the working man: too often is it forgotten that an hourly or daily rate is not a fair test upon which to base an annual income, as, so frequently is his occupation seasonal, or if not it is broken into and thus lessened by holidays and other interruptions. During the course of the committee's session a questionaire was directed to 56 of the larger cities in the Dominion to ascertain the annual remuneration allowed to the rank and file of the police and fire brigades of these municipalities. Replies have been received up to date from 43, covering every province in the Dominion. These returns show the average allowance to the civic employees named is $1,347 a year. Police and firemen begin with an average salary of $1,237 and attain a maximum average of $1,456. As is to be expected, the amounts paid vary with the province: they are larger in the most populous cities and reach their low point in the smaller places. If we take the figures of the 12 largest cities, from Halifax in the East to Vancouver in the West, we find the mean average to be $1,430, the maximum average or starting point being $1,309, rising to a maximum average allowance of $1,551.50.

These figures, I submit, reflect perhaps as accurately as any others could, the standard fixed in urban centres throughout the whole of Canada. Each municipality must have a direct interest in its police force and firemen; the Board of Aldermen come in close contact with these employees are, indeed, in many cases friends or neighbours of the men employed. So far, therefore, as average figures can ever be taken as a guide, I submit to the House that the report of the committee, if it errs at all in these matters (a proposition I am not prepared to admit), errs on the generous side.

There is a tendency sometimes to treat the expression "totally disabled" as equivalent to the word "helpless," but under the Pension Act the latter term is used to denote the condition of a pensioner who must of necessity require, to a greater or lesser extent, the services of an attendant. The term "total disability" has acquired, under pension laws, a certain technical meaning, partly to indicate that those classed under that head are unable to earn a living in the ordinary labour market, and partly, perhaps, to mark the fact that their wounds or disease are of so severe a nature that they are entitled to the maximum pension which can be awarded. The word "helpless," however, connotes a condition in which the sufferer is unable to make use of some one or more of the functions daily exercised by the normal man. To most of us, the condition of one who has lost his eyesight is almost typical of helplessness, yet there can be no doubt that he who is paralysed and thus condemned to lie an inert body, is in a worse plight. As Dante pictured descending circles of damnation in his Inferno—so in the hell of suffering into which these soldiers have been cast—through no fault of their own but by reason of their valorous efforts on our behalf—there are varying degrees of helplessness. It may seem almost inhuman to make distinctions on such a subject, but to render justice it must be done, and under the medical regulations of the Pension Board the lines to be drawn are fully and fairly set forth.

The present maximum for helpless allowance is $450 per annum. The report recommends that the minimum allowance shall hereafter be $250 a year, to be increased when the conditions warrant to a maximum of $750.

Thus far I have dealt only with what may be termed the most important changes in the pension scale. Certain other increases are recommended, which are fully set out in the report. These will come up for consideration when the Bill amending the Pension Act comes before the House in Committee of the Whole. Among the Orders of the Day there already appears a resolution introducing this Bill, so that I refrain from prolonging the attention of the House on these points.

Let me add, however, that these remaining increases will add to the yearly liability about $500,000 per annum, thus bringing the total additional yearly liability practically up to the amount first mentioned, viz., $8,000,000, reached as follows:

| | |
|---|---|
| Disability pensions | $2,500,000 |
| Widows' pensions | 1,150,000 |
| Dependent parents' pensions | 2,400,000 |
| Wives' and children's pensions | 1,250,000 |
| Helpless allowance and other increases | 500,000 |
| | $7,800,000 |

Outside of the increases recommended there are other changes proposed in the pension law and set forth in the report, but for the reasons mentioned a moment ago, I do not propose to discuss these on the present occasion. Before, however, leaving the pension side of the report may I be permitted to mention the recommendation dealing with the commutation of pensions.

In Canada, a man who is only disabled to an extent of less than 5 per cent is not paid a pension but is awarded a gratuity up to $100 to compensate him for the disability from which he suffers. Other countries refuse to give pensions to those whose disability is less than 10 per cent or in some cases 20 per cent. The Canadian Act, however, provides for small pensions in these cases. For instance: A private unmarried soldier whose disability is rated from five to nine per cent is awarded $30 a year, or $2.50 a month. The man in the same class suffering a disability of from ten to fourteen per cent receives double the last named amount, that is, $60 a year or $5 a month. In many of these cases the disability consists in the loss, let us say, of a finger; the man's working capacity, if at all, is not seriously affected; and the payment to him of such small monthly amounts cannot contribute materially to his comfort. There has been for some time past a strong body of opinion, both among the disabled men and elsewhere, in favour of allowing these smaller pensions to be commuted. By this means the pensioner would receive a lump sum, which might well prove of more advantage to him than the monthly payment above noted.

As over 40 per cent of the disabled men now in receipt of pensions suffer from a disability of less than 15 per cent, it will be understood the question is of interest to nearly 30,000 pensioners. In addition to their views in the matter, it is evident that if the labour connected with the payment of such a vast multitude of claims could be settled once and for all, the administrative cost of the Pension Board would be materially reduced. The committee, therefore, recommends that the option be given to all pensioners whose disabilities are rated below 15 per cent to either continue to receive the pensions now awarded, or to commute the same and accept in lieu thereof a cash payment.

It is obvious the man whose disability is not permanent cannot receive so large a payment as he whose body has been so injured as to suffer a disability throughout his life; in these latter cases, where it is clear the disability is permanent, the man rated between five and nine per cent will be entitled to $300, and the man between ten and fourteen per cent to double that amount.

In the event of the disability of a pensioner who commutes his pension increasing in after years, he is protected by a provision in the Act which will allow him to again submit his case to the Pension Board and receive a pension for such increase in disability. In other words, such men will be rated according to their disability as it exists on re-examination, but there will be deducted from the new pension to be paid the proportion which they have already received under the commutation proposed.

It is difficult to estimate just what the cost of commuting these pensions may amount to; everything depends upon the number of men who desire to take advantage of the option given. If a majority do so, the country will be called upon to disburse in the immediate future over $7,000,000, but would in later years be relieved from the steady drain of maintaining the payment of these small pensions throughout the lifetime of the recipients.

Passing to the Re-establishment Branch of the committee's inquiry, it might be well to make a short statement regarding the recommendation of the committee on the subjects of life insurance for returned soldiers.

One of the effects of the war has been to render insurance in the established life insurance companies either prohibitive or much more expensive than that available to the healthy civilian. As can be understood, a man who has been seriously disabled by wounds or disease, could not be accepted as a safe risk by a life company. A striking instance of this was the case given in evidence, that a blind man is not insurable. Even if only partially disabled, the ex-soldier is not infrequently called upon to pay a higher premium than the accepted rate struck for a man of his years. Now, these men, while they may be in receipt of pensions for the disabilities under which they suffer, are solicitous of obtaining insurance for the purpose of pro-

tecting their families in the event of their death. It is quite true, should they die from causes arising from war service, certain of their dependents would become pensioners, but, save in a special class—and then only for a limited period—will these dependents be pensioned if the death of the soldier is due to some other cause than the war. Let me illustrate this point by referring to an example given on more than one occasion to the committee:—A soldier loses his leg in the war; he is pensionable for that disability anywhere from 40 per cent to 80 per cent. Later on sarcoma (or cancer) develops in the stump, and he dies from its effects. It can safely be predicated that in this event his death would be held to be due to his war service, and his family would receive a pension. If, on the other hand, this same disabled man was killed in a railway accident, or died as the result —say of typhoid fever—the strong probabilities are his family could not hope for relief by way of pension. Why should not this man be allowed to protect his family from the risks inseparable from ordinary life? This is just what the Bill in question proposes to do; and it is well to bear in mind that its main object is to provide insurance in the case of death from some cause other than war service. I desire to emphasize this point because the Bill provides that, in the event of the dependents of the insured being awarded a pension on his death, these dependents cannot as well receive the benefits provided under his policy; they would be repaid, it is true, the premium which the soldier may have contributed, with interest, but they are not permitted to draw both upon the Pension and Insurance Funds.

Another point worthy of note is that beneficiaries on whose behalf insurance may be effected, are limited to the close relatives of the insured. In this respect the Bill follows the provisions usually found in schemes of fraternal insurance.

For the same reason, that is to say because this type of insurance is altogether intended for the protection of dependents, one-fifth only of the face of the policy is payable on the death of the assured, and the balance—with interest—is to be disbursed by annual instalments during a term of five years, or over a greater period of time, as the insured may determine.

The insurance policy cannot be assigned or pledged as collateral security to a loan, and the moneys payable thereunder will be protected from the claims of creditors—either of the assured or the beneficiaries. These provisions are also aimed to secure, so far as is possible, the benefits of the insurance for the dependents of the soldier.

The insurance will be granted without medical examination and will, therefore, be open to every one, irrespective of his or her state of health. The rates of premium, though based on a recognized table of mortality, are slightly lower than those quoted by any regular line insurance company. This is made possible by the fact that the premiums do not include any loading for commisions or cost of administration. No commissions will be payable, and the cost of administration will be borne by the country at large.

If the insured should become disabled and incapable of earning a living, and if he is not in receipt of a pension he will be entitled to be paid the face value, with interest thereon, in twenty annual instalments.

There are other features of the Bill which I shall not now take time to mention; these and other points will be considered in the ordinary course when this Bill and the Bill amending the Pension Act come before the House.

It is common knowledge to the members of this House, and, generally speaking, to the citizens of Canada, that the disabled man in need of medical treatment is taken charge of by the Department of Soldiers' Civil Re-establishment, who care for him in the various hospitals or institutions now under the control of that department. In like manner, large numbers of disabled men, and those minors who enlisted under the age of eighteen, have been trained—or are now undergoing training—in the vocational schools established and operated by the same department.

During treatment and training these men and their dependents are in receipt of certain pay and allowances which, to a large extent, are based upon the pensions paid to the totally disabled. In view of the increases in pensions now proposed, it becomes necessary to increase the pay and allowances referred to, and the committee therefore recommends, by sections 10 and 11 of Part II of its report, that these allowances be increased, from 1st of September next, to an amount equal to the pensions granted to the totally disabled private soldier.

The recommendation contained in section 11 will, it is to be hoped, remove a cause of complaint which existed because of the difference between the pay and allowances awarded to the man who was transferred for treatment directly from the military strength to the Department of Soldiers'

Civil Re-establishment and the pension received by the totally disabled man who was forced to return for treatment to the same department.

The annual liability upon the country for these suggested increases has been estimated at $2,400,000.

Section 3, Part III of the Report, deals with the payment of War Service Gratuities to the dependents of those who died on service. A strong plea has been entered before the Committee on behalf of these sufferers, that they should be entitled to the same gratuity as would have been paid to the dead soldier had he been fortunate enough to survive. While in many cases it is true these dependents immediately were added to the pension list, and have since remained thereon, it was pointed out that a disabled man received both gratuity and pension. This problem was most carefully considered from every angle by the Committee, whose final decision was in favour of awarding to those dependents who were in receipt of separation allowances that share of the War Service Gratuity which would have been paid to such dependents had the soldier survived.

The gratuity to the men who returned, and their dependents, was based upon the former's length of service: it would be impossible in the case of the dead to use such a test, because the man who died at any stage in the war sacrificed his all. It is therefore suggested that the payment of this gratuity shall be based upon the assumption that every dead man have seen sufficient service to entitle his dependents to the maximum amount of their part of the gratuity.

Widows of deceased soldiers were in all cases paid a bonus of two months pension in lieu of or on account of this gratuity: it was therefore concluded that there should be deducted from any further payment due to these widows the two months' bonus already received by them.

I have now mentioned, Mr. Speaker, all the recommendations of the Committee which involve an added liability on the country: with the exception of the last named this liability will, so long as the increases remain in force, be an annual one. As already mentioned, in the case of pentions it amounts to nearly $8,000,000, and when we add to that the additional sum required for vocational training and treatment, the total additional yearly cost will exceed $10,000,000. The cost of the gratuity just discussed is estimated at an additional $1,800,000, and while that will go to swell the burden of this year's commitments, it does not—like the other items—call for a continuing or annual payment.

The Re-establishment Branch of the Committee's Report contains 21 separate sections. Thus far I have essayed to deal—and that in the briefest fashion—with but three of these: it would be quite impossible to make remarks more or less extended on each one of the remaining sections. I feel to do so would be to unduly prolong my remarks. I must, therefore, be content to direct the attention of the members to the report itself, where they will find the conclusion of the Committee set forth. But I feel it necessary to say a word or two on the subject of those suffering from tuberculosis. Their case was fully and ably set before the Committee, and as it, in common with the condition of all those suffering from this wide-spread plague, is of vital interest to the community, the Committee gave the subject fullest consideration.

On cause of complaint peculiar to the ex-soldier was the position of the man who had contracted the disease prior to enlistment, and whose pension was accordingly based upon the degrees by which his disability had been aggravated by service. As a result of conferences between those in charge, it is believed this difficulty will be largely removed.

Upon the larger question it is clear that an advance in the treatment of the tuberculous must be made. Hithereto efforts have been directed at the segregation of the afflicted so that they might receive the proper medical attention, food and training. Wonderful results have been attained, amply proved by the lowering in the death rate. But it is now apparent these efforts must be further supplemented by a wide-spread system which will follow the patient after his discharge from a Sanatorium, and make provision against the recurrence or re-activity of his disease. This precaution is perhaps more necessary in the case of the returned man, who is too apt, after his condition improves under treatment, to enter into too strenuous an occcupation and thus forego the care and rest which are so essential to his well-being. The question of after-care of the tuberculous is at the moment being investigated by a body of the leading experts who, at the request of the Department of Soldiers' Civil Re-establishment are visiting all the Canadian Sanatoria with the view of determining what should be done on this and other matters pertaining to this grave problem. It is to be

hoped that the Federal authorities charged with the care of tuberculous soldiers will be able to enlist the active co-operation of all other agencies in Canada engaged in the same task. The benefit to the nation by combined action along modern lines cannot be over-emphasized.

### Negative Findings.

Besides the many recommendations of the committee involving action by way of legislation or otherwise, there will be found in both branches of the reports certain findings which negative requests, resolutions or suggestions made to the committee. As these findings are set forth in the report, and in a majority of cases the reasons upon which they are based are as well set out, it appears to me unnecessary to further elaborate upon them. May I, however, say that the mere fact of the committee's decision being adverse is not an indication the subject at issue was in any sense passed over. On the contrary, certain of these were the subject of the lengthiest inquiry, and engaged the attention of the committee for longer periods than did other points upon which favourable action was recommended.

Before taking my seat, may I—as chairman of the committe—be permitted to say a word about the work which it has accomplished. It is fashionable to-day—and perhaps the fashion is not entirely new—to decry the efforts of those who are charged with public duties. My experience in committee work is not so extensive as many others in this House, but for the greater part of my life I have co-operated with my fellow-citizens upon boards or committees of various kinds. It is my deliberate conviction that in no former instance have I seen greater interest shown, or a more regular attendance obtained. The committee held sixty-six business sessions, spread over a period of nine weeks; each session lasted on an average for over two hours. When we remember that nearly half of these meetings were held while this House was in session, that our morning meetings frequently conflicted with others called for the same hour and always rendered more difficult the transaction of that burden of parliamentary departmental work which falls to the lot of every member, the wonder is we were able on almost every occasion to secure a representative attendance. Indeed, the records show that the average number who attended were more than twice the quorum necessary.

Apart from the work of the main committee, six subcommittees were formed who held additional, and sometimes lengthy sessions. That one under the chairmanship of Mr. Nesbitt, charged with the investigation of individual cases, sat time and again late into the night so as to be able to examine for themselves the files and records dealing with the matters before them.

The decisions of the committee in favour of the increases set out, were not given "grudgingly or of necessity," but with a unanimous feeling that while the country could never repay the debt she owed to those who suffer, a real effort to provide for their future must be made. Even where it was found impossible to grant all that was asked, it is unfair to draw the conclusion that the committee were unsympathetic to the claims put forward; just as, in the many matters which come before this House consideration has to be given to the position of the country at large, and how it will be affected by proposed changes in the law.

Speaking for myself, I have always endeavoured to view any question connected with the returned soldier in the following light: What attitude do we, as fathers of sons who crossed the seas to fight on our behalf, take towards those sons upon their return? Surely, remembering the pride with which we saw them go, the anxieties we suffered while they were in danger, and the joy we felt upon their return—there is nothing we can do for them which we are not glad to offer.

Two restrictions, however, present themselves to a father in this position: the first one is his own financial ability to supply the son's needs, and the second (and perhaps the more important one)—the effect upon that son if he is not encouraged to rely upon his own efforts and initiative in his future career! Surely such a father, had he two sons—one of whom returned maimed and broken—and the other fit and sound—must say to the latter: "I shall look after your brother and see that what is left for him in life is made as easy as my circumstances warrant, but I ask that you, if you care for happiness in your future life, at once take on your duties as a man, bear the same burdens as are cast upon the rest of humanity, and in the struggle of life win out to a higher sphere.

That attitude of the father is, I believe, the one that Canada takes to-day, and so long as it is maintained, both justice and

generosity will be rendered to her returned soldier sons.

Mr. SPEAKER: The hon. member for London (Mr. Cronyn) desires to incorporate in the report of his speech in Hansard certain tabulated figures which have not been read. Permission to do this has always been granted most charily by this House, but in view of the undoubted importance of the speech and the advanced stage of the session I feel that the House will give the necessary permission.

Sir ROBERT BORDEN: Carried.

The House gave unanimous consent.

Mr. C. W. PECK, V.C., (Skeena): Mr. Speaker, I speak with a little difficulty in speaking on a matter of this kind. Possibly I take an extreme view of what should be done for our returned soldiers. Nevertheless, I am not going to oppose the adoption of the report because, after all, we must realize—no matter what is said—that a great deal has been done for our returned soldiers in this recommendation and I put that to the returned soldiers in this country. It is all right for returned soldiers to expect a wonderful lot of things, but they must know that a lot of extreme demands have been made, and that there is a certain amount of public opinion against them. I am not prepared to oppose the adoption of the committee's report. It has raised pensions by a great many millions of dollars, and proposes the expenditure of millions in other directions. Although the committee's proposals may not be adequate, according to my ideas, yet at the same time they come up to my expectations, in some other matters. Especially will the proposals benefit the widows and orphans, and the maimed and the afflicted.

I want to speak for a few moments on the re-establishment of our soldiers and the matter of loans. This was discussed by the committee and there was a considerable difference of opinion. Some (and I may say they were very good friends of the soldiers) took this view. They said: "We will not make any more loans or extend the field of re-establishment unless we can go into every field of enterprise and into every profession." I think myself that that is a dog-in-the-manger attitude, because, although it is impossible in view of the finances of this country to re-establish every man in the field he desires, there are fields to which we could extend the principles



of re-establishment to the advantage of the returned soldier and the country as a whole. I shall not speak of all the different fields that might be entered. The question arose in the committee as to returned-soldier students. Personally, I think a great deal might be done to assist them. A great deal might also be done in the matter of housing and in other directions. I think these are quite within the possibilities of the country, although I wish to put myself on record right here as one who is not in favour of the extreme demands that have been made upon this country by some of the returned soldier associations.

The question I wish to speak about particularly is the re-establishment of our returned men in the fishing industry, which to my mind is the next widest field of food production in this country. We have already established many of the returned soldiers in agriculture, and I think we have done a great deal of good in that line. There are a great many people going about decrying the efforts that have been made to re-establish our soldiers in agriculture and the efforts of the Soldier Settlement Board. I do not agree with those people at all. We must not expect to re-establish every man and make him a millionaire, but if we re-establish seventy-five or even sixty-five per cent of our returned soldiers and make them successful farmers, we shall be doing a great deal not only for the soldiers but for the country as well. I think that Parliament and this country should feel nothing but the deepest gratitude to the Minister of the Interior (Mr. Meighen) who had the courage and the industry to attack this problem, and for the wonderful achievements he has to his credit in this direction. The stock argument against re-establishing our returned soldiers in the fishing industry is this: We must not go into that field of re-establishment unless we go into every other field of enterprise. I say that having already re-established our returned soldiers in the great basic industry of this country, namely, agriculture, and having expended millions upon millions on the returned soldiers in this field, so far with very few failures, and I believe there will not be many failures in the future, let us re-establish the returned soldiers in the next largest food producing industry in this country, which is the fishing industry. Some people say: Oh, but agriculture means colonization. That is all right, but what do you produce by agriculture? Food. That is why it is the great basic industry of this country,

and the next greatest field that opens up is that of fishing. There are a 3 p.m. a great many members on both sides of this House who are in favour of the Government assisting our returned soldiers in getting a start in the fishing industry. I think I am free to say that a large number of the officials of the Fisheries Department think it is perfectly feasible, and I think I may say that the hon. Minister of Marine and Fisheries is also very sympathetic. The decision not to go into this field was reached by only a small majority in the committee, as was the case with several other questions, and I think I may properly appeal to the House to consider this question. I do not think it is any reflection on the committee at all; I certainly would not consider it so myself.

To re-establish our returned soldiers in the fishing industry would not involve the expenditure of many millions. A few million dollars, I think, would be sufficient, but I would like to go that far to improve our system of vocational training. I repeat, it would not involve such an expenditure as the country could not face at this time. Speaking for British Columbia, we have a peculiar situation there, of which I have spoken at different times, and I need not elaborate on that now. Briefly, there are salmon fisheries that have gotten into the hands of a foreign nation, which I do not think is a good thing for this country. We have also the very important question of the unemployed. When our soldiers were returning and were asked to name the province to which they desired to go, a great many of them chose British Columbia. I am assured that about 20,000 more returned soldiers have come to our province than left it in the first place, and in a very short time we are going to be confronted with an unemployment question, which will be of the most serious nature. The situation would be relieved to some extent if we assisted our soldiers to establish themselves in the fishing industry.

In British Columbia especially some of the several modes of fishing may be learned in a short time. Therefore, I want to appeal to the Government to allow the House to have a free division upon this question. I know several hon. members on both sides who are anxious to see the Government extend aid in this way. I know that there is an opinion that the country has done enough for the soldiers. I admit it has done a great deal and I am glad to know as a patriotic Canadian that it has done so much. No greater glory can come to this country than that which comes from the recognition of the achievements of her great armies on the historic battlefields of Flanders, from what she has done to help to re-establish those men and the dependents of those men who sacrificed life and limb year after year on the ghastly battlefields of Flanders. I repeat that no greater glory can come to Canada than that which she derives from the efforts she has made to re-establish those brave men in civil life after they came back and took their places in the industry of the country and from those things she has done to maintain those who are left widows and orphans and those whom we see every day in mournful procession, the mained and afflicted who offered themselves up as sacrifices to the god of war. Therefore, I beg to move an amendment, seconded by Mr. Turgeon;

That the said report be not now concurred in but that it be recommitted to the Special Committee appointed to consider the continuance of the war bonus with instructions that they have power to amend the same so as to recommend that subsidies be granted to fishermen as well as farmers.

Mr. SPEAKER: In connection with this proposed amendment I have only to say that the question as to its being in order is not altogether free from doubt having in mind section 54 of the British North America Act. I find that provision of the Act imposes very rigorous conditions on the House but that while it has not in terms it has perhaps in effect been avoided. Upon that point in connection with a similar procedure in the British House of Commons I would refer to May, eleventh edition, page 572 in which he says:

Motions advocating public expenditure, or the imposition of a charge, if the motion be framed in sufficiently abstract and general terms, can be entertained, and greed to by the House. Resolutions of this nature re permissible because, having no operative effect no grant is made or burthen imposed by their adoption.

That is in effect what is proposed to be done under the language of the amendment as submitted by the hon. member for Skeena (Mr. Peck), but the consideration which moves me is this: The principle involved in the amendment of the hon. member for Skeena is precisely the same as the principle involved in the report of the Committee on Pensions, and if the amendment of the hon. member were not in order neither would it be in order to entertain the report of the Committee on Pensions. Bearing this in mind in my judgment the amendment as submitted is in order.

Mr. O. TURGEON (Gloucester): Mr. Speaker, in rising to second the amendment of my hon. friend the esteemed member for Skeena (Mr. Peck) I wish at the outset to give expression to my sincere appreciation of the incalculable service rendered the Committee on Pensions by the Chairman who has moved the adoption of the report and whose services the House has been able to appreciate as well as I. For the past two months the Chairman has given his unremitting attention and devotion to the cause which he had in hand and any agreement at which the committee has arrived has been well weighed and deserves the attention of Parliament and the country. I have not had from the committee all I could have wished for. I have already expressed in this House many sentiments and feelings on behalf of the returned soldiers. I would have been pleased if some additional recognition had been given to the returned soldiers because sometimes the one who is most deserving is the most backward in presenting his claim. I would have been gratified if out of their generosity the people of Canada had given a certain small sum of money to the returned soldier so that with the intelligence, activity and fortitude which he had brought back from the field of battle, he would have been given a fair chance to re-establish himself. I had also hoped that the people in each community would get more closely in touch with the returned soldier and would maintain an attitude of sympathy and interest towards his future work and life. However, that hope has not in all respects been realized.

Now, I shall come down to the amendment which is moved by the hon. member for Skeena, one of the greatest heroes of the war, who has come back with the recognition and decorations given to him by the Government of Great Britain. His only fault when he comes back to this country of ours is his modesty. His goodwill has always been apparent in every one of his works. He never forgets the brave soldiers who shared with him the trials and dangers of the battlefield and he is never wanting in reverence for those departed souls who made the great sacrifice in defence of the eternal principles of liberty. But there is one class of returned soldier that appeals to me more particularly and that is the class with which I am most familiar. Many hundreds of young men in my own constituency left the fishing boats of their fathers and hurried to give their services in the war. May I recall to this Parliament that from my constituency thirteen hundred and fifty volunteers crossed the ocean before the Military Service Act was put in force, in addition to which there were 450 who volunteered but who, to their great sorrow, were turned away by the medical authorities and many of whom, after trying in vain to be accepted in their own districts, took the examination elsewhere in the hope that other medical examiners might not see any obstacle to their going and joining the forces with their brothers, cousins and friends. Out of that 1,350, let me repeat what I have already said in this House over 1,150 were Acadians and 820 were from the sea as well as from the farm, young men who had left, not industry but the farms or the fishing boats of their fathers in order that the country might benefit from their devotion to and appreciation of, the principles of liberty and Christian civilzation as we have it now and hope we will have it, although things are not so encouraging at the present moment as we could wish they were. I rise, therefore, to second the motion of the hon. member for Skeena on behalf of an advance to fisherman as well as to farmers. The great cry to-day, Mr. Speaker, is for the production of food. We are told there must be production, and still more production. Well, in my opinion, fish is a very necessary article of food; and the production of this delectable article of diet is just as imperative as the production of food on our farms. The shortage of food which the great world war brought about has not yet been made good. From the continent of North America which, needless to say, includes both the United States and Canada, we shall hardly be able to meet the necessities at home and supply a sufficient quantity of food during the winter for the salvation and maintenance of many of the stricken countries in Europe. The cry is, "Produce, produce;" and the Government, with my sincere approval, have advanced considerable sums of money to returned soldiers, to enable them to settle on the prairies of the West and in the fertile valleys of British Columbia, and to engage in the much needed work of production. But let me tell you, Mr. Speaker, that we have a hardy fishing population on the coast of the Atlantic as well as on the coast of the Pacific. My hon. friend from Skeena (Mr. Peck) has at heart the welfare of the fishing population on the British Columbia coast, and that fact impels him to take the action which he has taken this afternoon. I have equally at heart the welfare of the fishermen of our portion of the At-

lantic coast and of the Gulf of St. Lawrence, and for that reason I heartily second and support the stand which my hon. friend has taken. The soldier fishermen of the Maritime Provinces are no less entitled to consideration and generous treatment than are their brothers who dwell inland. They left their homes and their families without any hesitancy and fought overseas for their native land. To-day many of those young men have not been re-established; and the only way to put them into a position commensurate with the one they held before the war is to place at their disposal facilities that will enable them to engage in the occupation which they have followed almost from their very earliest years up to manhood. I speak not merely for the county of Gloucester, N.B., which I have the honour to represent, but for the whole of the Maritime Provinces, and indeed for some counties in the province of Quebec, such as the counties of Gaspé and Bonaventure. For years past our population in the Maritime Provinces has been increasing, and to what is that fact due? To the efforts that have been made by this Parliament for the last twenty-five years—but more particularly from 1896 to 1911—to contribute to the welfare of the fishermen by giving them that necessary protection and encouragement which enables them to find profitable occupation at home instead of crossing to the country to the south where formerly they were accustomed to find a field for their ambition. In the county of Gloucester, for which I speak more particularly, we have a class of fishermen that are certainly most deserving, and when I refer to fishermen let me say that they combine farming with fishing. They are members of large families to whose support fishing and farming both contribute. When the father attains an advanced age he forsakes the sea and stays home to attend the farm. Those fitted for it resort to fishing in the summer months; the younger folks helped the head of the family to cultivate the farm. In that way all of them are participating in the great movement for increased production. We know that we shall not, for many years to come, get the maximum amount of food production in this country that we ought to have. It is therefore all-important that we should promote the production of every possible variety of food. Hence, it is in line with the national aim to make possible the re-establishment of the young soldier fisherman, to enable him to get back into the pursuits for which he is so well adapted, and to permit him to do his part towards furthering the expansion of our food supply. You cannot make a fisherman of the young man who comes from towns or villages far inland. He must be born of parents who have been closely identified with seafaring and fishing, and from whom he inherits that zeal, that devotion, that hardiness, that fondness for the sea, which characterize those who live in close proximity to the ocean. The granting of this very necessary aid to our soldier fishermen will not involve a very large expenditure. Taking into consideration the counties of Gloucester, Westmoreland, Kent, Gaspé, Bonaventure and others, the amount involved in a grant of this kind will be very small compared with the expenditure needed in aiding returned soldiers who want to settle on the farms. A suitable boat for fishing—more particularly for fishing on the banks or in the gulf of St. Lawrence—would probably cost in the neighbourhood of $1,500. Well, a loan of fifteen or sixteen hundred dollars would go a long way towards re-establishing a soldier fisherman in his former occupation. Those men would not need 25 years for the repayment of the loan. In my opinion ten years would be ample time in which to make repayment; and if at the end of that period there were some who were not able to do so their own friends, or merchants in the neighbourhood, would gladly come to their assistance. It would not be necessary to create a special department to carry on this work. The Department of Soldiers' Civil Re-establishment, which is helping to place soldiers on the farm, would be able to lend its efforts towards re-establishing the toilers of the sea. They have their agents throughout the Maritime Provinces, as well as throughout the province of British Columbia, looking after the re-establishment of the soldiers on the farm. They could give whatever aid is necessary to take care of the soldier fishermen as well, and consequently no extra expense would be incurred in connection with the operation of that department. The granting of the aid which is now sought for would not only greatly stimulate the production of fish on the Atlantic coast, but would have a like result on the Pacific coast. At the present time large quantities of fish are being brought from British Columbia to the large consuming centres of the East. The re-establishing of the returned soldiers in the fishing occupation would give a tremendous impetus to that industry, and would not only help to insure a sufficient production for the main-

tenance of our own people, but would enable us to ship food to the starving residents of Europe. Therefore I am greatly pleased to support the proposition of my hon. friend from Skeena. I support it with the same sincerity and with the same devotion that he has displayed and in the hope that this Parliament will place fishermen in the class with those who are already receiving assistance from the country to enable them to be re-established in an industry likely to result in so much good to this country. If the proposition is accepted I am sure that Parliament and the country will in time to come feel only too pleased that they have acceded to our request.

Mr. JAMES ARTHURS (Parry Sound): I am glad to be able to bear tribute to the great service of the hon. member for London (Mr. Cronyn) as chairman of the committee whose report we are now considering. I am sure that without his unremitting efforts and his unfailing devotion the committee would have been far from achieving the results that have been achieved. The committee went into this subject with, I think, two primary objects. The first was for the purpose of doing everything possible for the maimed, wounded or disabled soldier, and for the widows and orphans of those who had fallen in battle.

Their second object was that there should be equality in everything,—and I think the report will bear me out in that. It will be noticed that nothing has been done to increase the pensions of officers, and that the pension of a private soldier has now been brought up to exactly the same level as a lieutenant's in the land forces of His Majesty. This system was followed throughout. In this connection I want to refer to the amendment of my hon. friend from Skeena (Mr. Peck). I am one of the "renegades," he speaks of. I was in favour of loans under certain restrictions to any returned soldier who could show necessity for a loan. But I was then, and I am now, opposed to loans to any particular class wherein other classes cannot benefit. I quite appreciate the situation so far as fishermen are concerned, but the same argument can be advanced regarding any other particular class. We have in Ontario thousands of young returned men who have been forced to go into new occupations by the nature of their injuries or as the result of having their education interrupted by the war, and they are to-day with their small salaries finding the housing problem a very serious one. These young men are asking for a loan of a thousand dollars for the purpose of building or buying a house, or for the purpose of clearing the mortgage on some little house they already have. These men have a good case. Then take the artisan. The blacksmith is just as useful a member of the community as the fishermen, he is just as essential to agriculture as an additional farmer or two, yet we find men of his class coming back not eligible for vocational training and unable to find the money to set up a little tool or machine shop. You can take any other industry and you will find that the men engaged in it are able to put up just as sound an argument as has been advanced by my hon. friend from Gloucester (Mr. Turgeon) and my hon. friend from Skeena (Mr. Peck) regarding the fishermen. I am in favour of granting loans to fishermen, but not unless all men in equal case are dealt with in the same manner. That is the position I took in the committee, that is the position I take in this House, and its fairness, I think, will appeal to all returned soldiers.

Before I sit down I would like to call the attention of the House to the fact that this committee have done a great work along the lines suggested, and that one of the reasons why we could not go further perhaps in the matter of housing was that we had done fairly well this year in other directions. We have greatly increased the amount of pensions to all classes, and we have put the country under quite a heavy liability in other matters concerning the re-establishment of our returned men.

Hon. H. S. BELAND (Beauce): Mr. Speaker, I do not rise with the intention of offering any opposition to the amendment moved by the hon. member for Skeena (Mr. Peck). I was under the impression, however, that after the extensive work which the committee had carried on during the last two months it had arrived at a definite conclusion, and that perhaps the members of the committee, and the House itself, would concur in the findings and the recommendations of the committee. I have no objection to recognizing that if any other class should be helped especially by way of loans, that fishermen should be the first to be helped, and for that reason I shall support the amendment of my hon. friend.

All the members of this committee were animated from first to last with the intense desire of discharging their duty to the returned soldiers, healthy or disabled, and

to the dependents of those who had heroically sacrificed themselves for their country. The debt that we owe to our soldiers and to the women who accompanied them to the other side is twofold: one share of it can be met in dollars and cents; as to the other share, we at once admit that it is impossible for the country to express in any appropriate manner its sense of gratitude.

The work of this committee has been long and tedious. As pointed out so ably by the chairman in his precise and enlightening report, its work has extended over the last two months during almost every day of the session. I wish it could have been my privilege to have attended the sittings of the committee more regularly than I have done, and if I rise now, Mr. Speaker, it is not to criticise the report, but to give expression not only on the part of the members of the committee but in the name of the House itself to a sentiment of admiration for and gratitude to the hon. gentleman who represents the constituency of London and who acted as chairman of the committee (Mr. Cronyn). He was its inspiration in the long and difficult work of gathering information from the soldiers —from the healthy soldiers and their representatives, from the disabled soldiers who are back in civil life, from the soldiers who lie ill in hospitals, from the dependents and the representatives of the dependents of our glorious dead, from the able officials of all the departments connected with the problem of re-establishment and of pensions, from experts in insurance and in various schemes of re-establishment. He distinguished himself by his assiduity, his punctuality, his intelligent and impartial direction of the proceedings of the committee, his powers of assimilation, and in a word by giving his entire personality to the work. He has been to every one of us who sat on that committee a walking encyclopædia on matters investigated in years past and in the preceding sittings of the committee. So I say, Mr. Speaker, that praise is due to the hon. gentleman and to his worthy assistant, the vice-chairman.

I have only to add that I think it will be my duty to support the amendment that has been submitted by the hon. member for Skeena (Mr. Peck).

Mr. PETER McGIBBON (Muskoka): Mr. Speaker, I should like to say a word with regard to this resolution. To begin with, I endorse what has been so well said by the last speaker (Mr. Béland) in connection with the work of the Pensions Committee. The report, I think, largely speaks for itself. Most hon. members will agree with me when I say that at all times and upon all occasions I have been ready to support any reasonable, legitimate effort on behalf of returned soldiers. I cannot, however, agree with this amendment, for reasons which I will state a little later. I may say that I am in accord with the position taken by the member for Parry Sound (Mr. Arthurs). I was in favour of first granting loans to disabled men for the purposes of re-establishment. I was also in favour of granting loans to any returned men who proved that they were in need of such assistance, provided that similar assistance was given to all classes of returned men. The soldiers have suffered enough injustices already in the war without our now inflicting upon some classes a further injustice along these lines. This amendment bears no relation to the sacrifices made by the man at the front; it simply says that all men in a certain class shall be entitled to some assistance in re-establishment. That in itself might be advisable if you could extend to every other returned man a similar degree of assistance. But I am absolutely opposed to our saying: We will help the fisherman with one, two or three thousand dollars in order that he may re-establish himself in a lucrative position, but we will do nothing for the poor man's son who is working in a much less profitable sphere of activity. I think the proposal is an unfair one; so far as I am concerned it wil not get my support. My first idea is that we should look after the widow and the orphans of the soldier. In that regard we have made substantial advances in this report. We have remedied many things that worked a hardship in the past. We have proposed an increase of nearly fifty per cent in the pensions. I do not say that it is too much; I do not say that it is enough, but I do say that this report is the most advanced report on pensions that any committee of this House has yet brought down. We have done something towards re-establishing that class of returned soldiers who are suffering from tuberculosis. The cases that have been drawn to the attention of committee and of the House will be of great assistance to them in the future. As I said, I was willing to go further and to support the granting of loans to those men who had been disabled. I believe that this country could do that. But my opinions in the committee did not prevail. I believe that the committee might properly have done something in some other line. But I wish to associate myself with the member for Skeena

(Mr. Peck) in what he said about extreme demands made upon this country. I am not and never was, as this House knows, in favour of acceding to these extreme demands. Our attention should first be concentrated on assistance to the widows, the orphans, the crippled and the diseased. But I cannot support any resolution which has the effect of picking out one class of returned men who happen to reside in one particular part of the country and giving them assistance, having no regard to their service in the war—some of them might not have got out of Canada or England, probably never saw the front—while saying to other people, who, perhaps, suffered for three, four or five years in the front line trenches: we can do nothing for you simply because prior to the war you were engaged in a different occupation from that of fishing. I do not think it is sound; I do not think it is wise. I think that the adoption of any such proposal would have the effect of arousing discontent among the returned men.

Mr. PECK: How, then, does my hon. friend justify the assistance which is given to returned men who wish to engage in agriculture?

Mr. McGIBBON (Muskoka): I never justified it as assistance to returned men; I do not think it can be justified on that ground. It can be justified on the ground of increasing production, but I would be just as much opposed to helping the soldier simply because he is a farmer as I would be to helping him simply because he is a fisherman or of any other particular class. As a means of adding to the production of this country, assistance to soldiers who engage in agriculture can possibly be justified.

Mr. F. F. PARDEE (Lambton West): Mr. Speaker, I desire to say a few words with regard to the amendment which has been introduced by the hon. member for Skeena (Mr. Peck). In the first place let me join with the member for Beauce (Mr. Béland) in extending my congratulations to the chairman of the committee. I assure you that I most heartily endorse all that has been said with regard to his work; he has done his duty and done it well.

So far as I can learn there is no one in this country; there certainly is no one in this House, who does not want to do the most full and ample justice and give the most full and ample reward, if such can be given to the returned men. But, Sir, there is this to be said: although our sympathy goes out in the very highest degree to those who have suffered, individuals and countries alike must cut their coat according to their cloth. The argument may be advanced that Canada has not done enough for her returned soldiers. Well, I shall not go into figures at all, but when we have regard to the fact that Canada has done, perhaps, more for the returned soldier than any other country in the world, we have a right as legislating here for the people of Canada, no matter to what extent our sympathies may be aroused, to refrain from assuming obligations which the people of this country cannot fulfil. It is only ordinary justice to the people as a whole and to ourselves as representatives of the people that we should do as we think proper and that we should stop when we think we have done as much as we can possibly do, having regard to our financial position.

I am wholly in accord with the member for Muskoka (Mr. McGibbon) when he says that the first to be looked after are the crippled, the maimed, the diseased and the dependents, the widows and the orphans. In extending assistance to these we cannot possibly go too far. The man who comes back with a five per cent injury or the man who comes back one hundred per cent whole is the subject of our admiration; he has done his duty to the full; he rose to the occasion as a true citizen should do in a time of crisis. Yet he is here; he is practically whole. While we recognize that he took his place and took his chances as a citizen for the good of the country yet we should recognize also that with the ordinary aid that can be given him he should re-establish himself.

I have only this to say with regard to the amendment: many members of the committee would have been glad to see their way clear to go farther than we did in the way of aid. For my part I was intensely anxious that students who had been interrupted in their university or school courses when they went to war, whose educational courses were subject to a hiatus of three or four years at the very time when those students were most able to absorb what they should have absorbed for use in life—these young men in my opinion, were most worthy of consideration and of assistance. Evidence on that point was given by some of the best experts that Canada could produce, and they all testified that students should be helped. Again I say that I was entirely in sympathy with their view, but the question immediately arises—if you help one class, why not help the other? Has

not the man who was in business, who gave it up, put up the shutters and went to the war, leaving his business to shift for itself, not as much entitled to be helped as any other class who went overseas? But if you go into that category and endeavour to help and re-establish every man to the extent of what he gave up for the purpose of going to the war, thousands and hundreds of thousands of dependents will be placed upon the country and the country can never afford to keep them.

The question of helping the fishermen was another subject that was discussed in the committee, and I have considerable sympathy with the idea of helping the fishermen because fishing is a producing industry; it is something that gives food to the people of this country. On the other hand, the student is a man who gives of his brain for the development of the country, not along one particular line, but along all lines, and, therefore, the argument in favour of helping the student would, perhaps, be just as strong as the argument in favour of helping the fisherman. Therefore, when you come to consider all these classes of cases, the only thing the committee could possibly do, and the only thing the House is justified in doing, is in going as far as the report goes, the first reason being that financially we are not able to do more, and the second reason being that it would not be equitable, in fact, it would be inequitable to help one class without helping all classes. Consequently while I have much sympathy with the amendment of the hon. member for Skeena (Mr. Peck), and while I am in favour of doing as much as possible for those men who require help, yet I, as a member of the committee, was convinced that one class had no more equitable right to be helped than another and that, therefore, if you helped one, you must help them all. The land settlement scheme has been brought forward as an argument in favour of helping the fishermen, but the land settlement scheme was and has turned out to be primarily a question of colonization, and colonization and production on the land are what this country needs.

Mr. PECK: Is the fishing enterprise not equally a matter of colonization?

Mr. PARDEE: It may be a matter of production, but in no sense is it a matter of colonization. The land settlement scheme is primarily a colonization scheme, and I was glad to hear the Minister of the Interior (Mr. Meighen) state in the House the other day that so far the land settlement scheme has been successful. I sincerely hope his prognostications as regards the land settlement scheme are absolutely true and that it will turn out to be as successful as we hope it will and as he said, the other night, it would. I cannot, however, see my way clear to support the amendment, for these two reasons. First, I believe the country is not financially able, because if it takes one class, it must take all, and, second, because it would be inequitable to take one class and leave the other out. The committee has done well by the maimed, and by the widows, orphans, and other dependents of those who went overseas and served their country, and, therefore, I think the committee and this House have gone just as far as we can go along these lines.

Mr. HUGH CLARK (North Bruce): Mr. Speaker, the chairman of the committee (Mr. Cronyn) has been so much extolled that I need not add anything to the observations that have been made by the hon. member for Beauce (Mr. Beland) and other members who have spoken in that regard. I should like to refer to the concluding paragraph of his speech in which he made reference to the attendance of the members of that committee and their attention to the work of the committee. A deliberate and apparently organized attempt had been made to make it appear to the public mind that the members of the committee were indifferent, if not hostile, to the needs and wants of the returned soldiers. There is an element that has never quite forgiven this Parliament for not granting gratuities to all soldiers. I for one opposed the granting of further gratuities to soldiers, and I am more opposed to that to-day than I was then. I can take the the view to-day that the hon. member for Frontenac (Mr. Edwards) expressed last year, namely, that if we had in the treasury a million dollars that we did not know what to do with, I would not hand it out by way of indiscriminate gratuities, for the reason that to do so would work a positive disadvantage, not only to the returned soldier, but to the country as well.

I cannot, however, understand the reason why an attempt should be made to prejudice the public mind against the parliamentary committee that was discussing the question of pensions and the question of re-establishment. I have never seen any disposition on either side of the House to do anything except that which was to the advantage of the returned soldiers, and I have never seen any prejudice on either

side of the House against returned soldiers. I have seen nothing but a desire to do the very best we could, and the very best the country could afford to do for the returned soldiers. Why any organizations of returned soldiers should endeavour to make the public believe that the committee was indifferent, if not hostile, is more than I can understand. As the chairman has pointed out, the fact of the matter is, that no other committee had as little difficulty as this committee had in obtaining a quorum on every occasion except one, and that was when we sat in this House until 7 o'clock in the morning of the day the committee was convened. In order that the members might attend that committee regularly, we all had to neglect our primary parliamentary duties, and as a result of that we lost track of what was going on in the House, because the committee met in the afternoon and at night while the work of the House was in progress. It seems to me, Sir, that if the idea be still in the public mind, that the parliamentary committee was not disposed to do the proper thing for the returned soldiers, that idea ought to be dispelled by the report which was laid on the Table yesterday. When this legislation goes into operation, our pension list will be the largest in the world. For instance, under this report when given effect to a single man, if totally disabled will get in Canada, $900; in Great Britain, $506.13; in Australia, $379.60; in New Zealand, $506.13; in South Africa, $379.60; in the United States, $1,200; in France, $4880; in Italy, $243.33. Let me point out that while the scale paid to a single man by the United States' Government is larger than ours, yet it remains the same all the way through the list. In the United States a single disabled man gets exactly the same amount as a disabled man with a wife and three children, or, for that matter, with ten children. I do not suppose that any person in the Dominion of Canada would approve any such law as that. I understand the United States have discovered their mistake, and it is just possible they may revise their pension list so as to get it more in line with ours. In Canada a man with a wife gets $1,200, exactly the same as in the United States. A man with a wife and child in Canada gets $1,380, in the United States $1,200. A man with a wife and two children, in Canada gets $1,524, in the United States $1,200. A man with a wife and three children, in Canada gets $1,644, in the United States $1,200. In Canada there is an allowance of $120 for each additional child, while in the United States there is no such provision; it is simply a flat pension of $1,200.

Mr. ARTHURS: Is the hon. gentleman aware that there are certain restrictions in the United States whereby all the disabled men do not get $1,200?

Mr. CLARK (North Bruce): Yes. While I should like to be able to support the amendment of my hon. friend from Skeena (Mr. Peck), I must say that this matter has been discussed on other occasions than during this session by the special committee. The Committee on Re-establishment last year discussed the question of loans at some length, and my hon. friend from West Lambton (Mr. Pardee) and the hon. member for Calgary (Mr. Redman) were anxious to have loans made to students whose university course had been interrupted by the war. I think I am violating no secret when I say that that proposal tentatively carried the committee, but afterwards, the demands for loans for other classes—for fishermen, blacksmiths, dentists, doctors, engineers and others whose business had been seriously interrupted by the war—became so numerous and insistent that we made up our minds that our course should be dominated by the policy of looking after the disabled and the dependent. If we had opened the door to one of these other classes we would have had to open all doors. I must admit that we have got away somewhat from the idea of assisting only the disabled and the dependent. We got away from it when we granted loans to returned soldiers to settle on the land, but primarily, as had been stated before, that was a colonization scheme. We also got away from it when we extended vocational training courses to minors—boys who enlisted under the age of eighteen. But outside of those two cases we have kept within the disability and dependent class. If we break away from that and grant loans to re-establish soldiers in the fisheries, as suggested by my hon. friend from Skeena and my hon. friend from Gloucester, still more doors will have to be opened, because inevitably there will be a demand that we should do for other classes what we had done for the fishermen. Therefore I shall oppose the amendment.

Mr. PECK: Were there not several members of the committee who endorsed aid to returned soldier students as well as assistance in other fields, and who also supported

the proposition to aid returned soldier fishermen?

Mr. CLARK (North Bruce): That is right. Several members of the committee were in favour of granting loans to university students, to fishermen, and so on. I must say that my hon. friend from Skeena has been perfectly consistent. All the way through he has taken the course that whether loans were granted to other classes or not, they should certainly be granted to the fishermen.

Mr. J. H. SINCLAIR (Antigonish and Guysborough): Mr. Speaker, I am sure we are all very much indebted to the committee for the attention which they have given to this important question. As far as I have been able to study the report, I think it is a good one, and I am able to vote for it. I was disappointed, however, to find that it made no mention of the great fishing industry of this country. I took occasion in the house last year to raise this question of asisting returned soldiers in the fishing industry, and I am very much indebted to my hon. friend from Skeena (Mr. Peck) and my hon. friend from Gloucester (Mr. Turgeon) for having brought the matter before the House to-day.

I do not agree with the arguments that have been put forward against the amendment. The farmers, after all, are simply a class, like the fishermen. I submit that it is not a sound argument at all to say that we cannot do anything for the fishermen because they are a class, and that if we assisted them we would have to assist the blacksmiths, the carpenters, and everybody else. If that argument was sound, we would have to abandon the farmers, as well as the fishermen. The reason why the fishermen can be assited, without involving assistance to the blacksmiths, or any other class, is that they are a very large and very important class in this country. You will find by the last fisheries report that there are over 80,000 men and women engaged in the fisheries on the coasts of Canada, and they are supporting a very large population outside of the people directly engaged in the industry. The production amounts to over $50,000,000 a year, and the industry is only in its infancy as yet. It is capable of greater development perhaps than any other industry in Canada, and as a great industry alone we would be justified in assisting it.

4 p.m.

I take it that the grants that are made to soldiers have a double object; one is to re-establish the soldier in civil life and enable him to make a competent living, and the other is to increase production. Now there is no industry, apart from agriculture, which assists production so much as does the fishing industry, and as I said, it is capable of greater development still. I do not agree with the hon. member for Lambton (Mr. Pardee) who said that assistance of this kind would not be helping colonization. What better colonization could you have than to establish on the coasts of this country a village or town raising sturdy men who go out to the sea and make their living by fishing, and raise a family of boys who will man the merchant marine and the future navy of Canada? Surely that is colonization of the proper kind, which every Canadian should like to see encouraged. In my opinion there is no good argument against the amendment, and every argument that I can think of in favour of granting assistance to farmers applies in the same degree to granting assistance to the fishermen. I shall therefore vote for the amendment.

Mr. J. W. EDWARDS (Frontenac): Mr. Speaker, the hon. member who has just taken his seat (Mr. J. H. Sinclair) has said that there were reasons why the fishermen should not be classed with blacksmiths and carpenters. I think if the hon. gentleman had been perfectly frank he would have confessed that the chief reason in his mind was that fish were more numerous in the counties of Antigonish and Guysborough than blacksmiths and carpenters. I have no particular fault to find with hon. gentlemen supporting this amendment who live in constituencies where there are a number of fishermen. I can quite understand that they feel, and very properly so, that they should do something in support of those who live in their constituencies.

Mr. MARCIL (Bonaventure): Are there no fisheries in Frontenac?

Mr. EDWARDS: It seems to me that in this whole matter of the re-establishment of the returned soldier and expending the country's money for that purpose, we can divide the money expended into two classes. First of all, there is the money that is required for pensions for the dependents of those who fell in battle, and for the disabled or diseased who have returned from the war. I think I am right in saying that the committee never viewed assistance to this class from the standpoint of our ability to raise the money. It was not a question of Canada's ability

to raise the money to properly pension the dependents of those who fell in battle or those who came back disabled. We must raise the money for them. But in regard to those who were fortunate enough to come back physically and mentally fit we have a right, and a bounden duty, to consider the ability of Canada to raise the funds that we are asked for by certain soldiers and certain organizations who have presented a claim for fishermen and others.

The hon. member for Antigonish and Guysborough (Mr. Sinclair) says that every reason that can be advanced in regard to loans to those who went on the land can be applied with equal force to fishermen who are asking for assistance. I do not agree with my hon. friend in that. In advancing a loan to those who went on the land we have an absolute security for the loan itself. I do not think my hon. friend would argue that we could possibly have the same security in advancing a loan on a boat. Requests were presented to the committee that we should advance loans to men who did not want to farm but who wanted to start up little businesses or corner groceries. But after consideration it became apparent that you could not get any proper security on that because a man might get a loan upon a little store and then convert some of the goods into cash and get away over night. The same argument might apply to a man who got a loan on a boat. He is not in the same position as the solider who goes on the land, where the security is undoubted. It is unquestionably the best you can get when you advance money on land, and I think most people will agree that the security which the Government can get when loaning money to a man to buy a boat is not as good as that obtained when loaning money on land.

It is not a question of lack of sympathy with the returned fisherman-soldier. There is no question of lack of sympathy for not only the fishermen-soldiers who have returned, but the soldier in every occupation. I want to say, what has already been said, that I believe that from the first time that this matter came up in the House, notwithstanding what has been said by certain people of the Flynn type, there has never been an hon. member, whether he sits on the right or the left of the Speaker, but who has had the utmost sympathy with the soldier and has been anxious to do all that this country could possibly do in reason for the soldier. I believe that is the attitude of the people from one end of Canada to the other.

[Mr. Edwards.]

This matter of granting loans to fishermen came up in the committee. The matter was fully considered by the committee from all standpoints. It was not merely a question of considering and dealing with that particular point. It opened up the whole subject of loans to students and to returned soldiers who wanted to build houses for themselves. It opened up endless problems. It opened up the question of the returned soldier who wanted to buy a little business and to carry on as blacksmith or engage in some other occupation. It opened up so many avenues that it would be impossible for us to give the country what we are in bounden duty to give it when we loan money, and that is the best security possible. We were therefore obliged to refuse the application made on behalf of the fishermen.

I think the committee—and I believe the House will endorse this—has given very careful attention to the whole question. Our pension list now, taking it all through, ranks the highest of any country that was engaged in the war and it does so because from the first moment the committee met there was a disposition on the part of every member not merely to be just but to be generous as our duty and responsibility as members of Parliament would enable us to be. Possibly in some respects the report may not be perfect. That could hardly be expected but I do say that the committee gave long and careful attention to all these matters including the question of loans to fishermen with the desire to go just as far as their duties and responsibilities as members of this House and representatives of the people would enable them to go. I think they have done that. I will therefore have to vote against this amendment, not as an expression of any lack of sympathy for the fishermen, but because I believe it would be discriminatory. I do not see how it will be possible to approve of the amendment proposed by the hon. member for Skeena to provide loans to fishermen without discriminating against others whose claims must be considered.

Mr. T. W. CALDWELL: (Victoria and Carleton): Mr. Speaker, I do not wish to detain the House at any great length as the question has been pretty fully covered by the report of the committee and the amendment thereto. But there is one feature that has not been brought to the notice of the House and that is why I rise to take part in the debate. I am in perfect sym-

pathy with the granting of loans to fishermen. I have a feeling that the Pensions Committee in the first place was very sympathetic towards extending loans to all returned soldiers if the financial position of the country had warranted such a course. However this committee had not gone into the matter very far when it realized that that was an utter impossibility; that our pension list having reached a total of $33,000,000 per year you had to consider where you could get the money in order to give loans to all returned soldiers. I believe the fishing industry is a production industry just as well as is farming a producing industry. It is said that immediately you brought forward the question of loans to fishermen you would be opening the door to every other class. I do not agree with that because in the same sense the door was opened when we granted loans to farmers. I would like to increase production in the fishing industry and on the farm and thus help to cut down the high cost of living. I was also in favour of the loans to students. A student is in a little different class from any other man who has returned from the front. The man who wants to learn a trade can go into any occupation and earn his board and clothing when he is learning his trade. The student cannot do that. The student who has broken off his studies to defend his country comes back and he is in the position of not being able to earn money, but on the contrary, he must spend a large sum and several years of his time in order to equip himself to take his place in his chosen calling. He is not even able to earn his board and clothing while undergoing his course of training. For that reason the student is in a different class from any other who has returned from the war. That is the point that I wished to bring out. However, this committee went into the question very fully and while it was not the unanimous feeling that loans should not be granted to fishermen and students the decision was arrived at by a majority of the committee. It would be impossible to get a unanimous opinion on any question of this character. The report as we have it before us was decided on by a majority of the committee and no doubt it would be useless to refer the matter back to that committee in the hope of getting any other decision than that which the committee has already arrived at. Further, to my mind if we referred back to the committee its recommendation with regard to an increase of pensions due to the high cost of living, the recommendation would not be put into effect until next year or some future time. That is one point that has not been brought up in this discussion and I think it is a very important point. Suppose you did refer the recommendation back to the committee, the committee have practically decided that their labours are ended and some of the members, in view of the fact that we are nearing the end of the session, have returned to their homes. While the committee are not formally discharged I think they consider their duties are at an end, at least for the present session. I think I am logical in taking that position. For that reason it would be almost impossible to accomplish anything by referring any matter back to the committee during the present session. As I say, it would mean that any action on the committee's report at this stage would have to be deferred until perhaps, next year, which I think would be very unwise. For that reason I am not able to support the amendment. While I am in sympathy with the spirit of the amendment I am not in sympathy with the method employed to give effect to it. If the hon. member for Skeena had moved an amendment that this recommendation be added to the report of the committee I would have supported it; but I will not support an amendment to refer it back to the committee for the simple reason that it will nullify the whole effect of the researches and recommendations of this committee during the present session.

Mr. C. G. POWER (Quebec South): Let me also add my little word of praise for the work done during the sittings of this committee by our chairman, the hon. member for London (Mr. Cronyn). He has, as my hon. friend from Beauce (Mr. Béland) has said, been punctual, courteous, impartial and just. He has been one of the very best chairmen that could possibly have been chosen; and I congratulate the Government on having been able to find in their ranks a man of his calibre and character. I also wish to make certain criticisms of the Government and to point out, in my own humble way, certain mistakes which were made by the committee of which I was a member. In doing so I wish to dissociate myself entirely from the malicious and uncalled-for attacks which have been made on this committee throughout the country. The committee performed its duty faithfully and well. I do not think that any committee of the House ever had more members in attendance, and every witness was listened

to with extreme attention. Never have questions been discussed with keener understanding; never, perhaps, have the debates been so acrimonious or the divisions on debated questions so close. Instead of being accused of lack of energy and of lethargy, the committee should at least be congratulated on the interest it has taken in the welfare of the soldier and his dependents. This having been said I hope I may be permitted to point out what, to my mind, were some of the mistakes we made during the course of our sittings. This House, on March 15 discussed a resolution offered by a private member to the effect that pensions for widowed mothers should be increased. On that occasion the Government, through the medium of the President of the Privy Council (Mr. Rowell) announced that it had been decided this year to have a committee on pensions, which committee necessarily must have to do with the pension bonus which, as the House is well aware, is only granted from year to year. The pension committee was admitted on all sides to be necessary. The Pensions Act of 1919—whilst very good as far as it went, and whilst it received great consideration at the hands of those who studied it—did not, in certain respects, go far enough. Further, certain pensioners had found that owing to the increased cost of living the pension given to them was barely sufficient to meet the purpose for which it was intended. So that no controversy was possible on the desirability of having a committee on pensions. But some days afterwards, on March 17, the hon. member for Centre Winnipeg (Mr. Andrews) moved:

> That, in the opinion of this House, the provision made for re-establishing in civil life the members of His Majesty's forces who served in the late war has in many cases proved inadequate, and that it is desirable that a special committee of this House be appointed to consider what provision can be made to meet such cases, the committee to have power to call for persons, papers and records, to examine witnesses under oath and to report from time to time.

After considerable discussion of this matter it was announced by the then leader of the Government that a committee would be granted for the purpose of discussing questions of re-establishment. Now, Sir, to my mind, and I think to the mind of nearly every member of the House—I am quite sure of that from conversations I have had with them—to the mind of the hon. member for Centre Winnipeg, and to the mind of the soldier who read this resolution, "more adequate re-establishment" meant one thing and one thing only—it meant a full discussion of the question of a further cash gratuity. That I am sure was in the mind of every soldier who read it; that I am sure was in the mind of most of the members of this House. Now what happened? The committee was granted. A short time afterward it was announced in the House that the Government, following its usual policy, would not grant a cash gratuity. In spite of that the committee which had been named held its first sitting. There, I think, is where the committee made its first mistake. I may say that for the purposes of re-establishment, the original committee on pensions had added to it a certain number of hon. members in order to form a committee on pensions and re-establishment, two subjects which, to my mind are utterly dissimilar. I wish also to say that at the time the hon. member for Centre Winnipeg moved his resolution I pointed out to the House that there was no necessity for the committee on civil re-establishment if the Government had not changed its mind from last year with regard to the bonus. I pointed out also that I was afraid this committee was only a camouflage on the part of the Government to stave off criticism at the coming Great War Veterans' convention. Now, Sir, I imagine that my remarks on that occasion have been proven to be correct. At the very first meeting of the committee appointed to study pensions and re-establishment—it being well understood by the general public that re-establishment certainly meant the consideration of a cash gratuity—the question was brought up as to whether or not we should study a cash gratuity. At that time the committee decided that the question of studying a cash gratuity was within our jurisdiction, but in view of the fact that last year after a full and comprehensive study of and report upon the question and that the Government had definitely given its opinion thereon and pronounced against a cash gratuity and in the estimation of some members had decided not to do anything further, the committee said they would make no recommendation. To my mind our mistake was this: I pointed out at the time, and I do not think I am violating any secrets of the committee when I say that a large number of the members of the committee were of my opinion. We had one duty, and one duty only—to return to this House and ask for further instructions in view of the fact that since our appointment the Government had definitely pronounced

on the most important subject which was to come before the committee, the subject of re-establishment. I have no criticism to offer of those fellow members whose views to the contrary were freely and frankly expressed, and I must say that their views seemed at the time to be just as sound as views I urged.

What was the consequence? Instead of the Government taking on themselves the responsibility for this refusal it was shifted on to the committee, and we were reviled from coast to coast. Not that I complain of that. When I entered political life a short time ago I knew I was likely to get some hard knocks,—and I have had them. I am not blaming anybody for that. But there was another consequence. This was a non-partisan committee, appointed by the Government to investigate certain questions. Within a few days after its appointment this Government withdraws the most important question from the consideration of that committee. That is to say, this Government made both parties equally responsible for it. And this is the gravest ground of complaint. From the very moment that this committee decided not to hear the representatives of the soldiers in reference to this question, after having admitted that we had the right to hear them, then we shifted the responsibility on to our own shoulders and lost the confidence of the soldiers from one end of the country to the other. The results were evident at the time, and very shortly afterwards when the tempest-in-the-teapot controversy about the McLean-Cooper-Peck business arose the whole matter came to a head. We heard nothing but abuse of the committee, and there was no longer the slightest confidence in us. So much so that within a month before our report was brought down we heard that nobody would believe that we were going to do anything, and that even if we did do anything it would be because we were afraid. So that we deliberately allowed ourselves by our own folly to lose the confidence of the people whom we were appointed to serve.

We made another mistake. About a month ago before the Budget was introduced our pension report could and should have been brought down. It was practically ready. Why it was not brought down is to me somewhat of a mystery. It may be a political one. I may be wrong, but I see in the bringing down of the reports of the two committees—one good, and the other on re-establishment worthless—a certain amount of politics. I do not think it is the fault of the committee, because it had nothing to do with the accumulation. I see in this a certain amount of politics, and I am afraid that were I to to look at the matter, with the little political instinct I have I would be able to point my finger at the man responsible. He is not in the House at the present moment, but he comes from Saskatchewan, and he is well know and admired wherever politicians foregather. He is, I understand, expected by the Unionist Government to out-Roger Bob Rogers to such an extent that he will be able to pull them out of the hole this summer. That is what I think was done in this instance, and he I suspect is to blame for this accumulation.

Now, Sir, to come to the question of gratuity proper. Heretofore I have voted against it and spoken against it openly, and I have never given the faintest encouragement to those who have favoured it. But had I known two years ago, even eighteen months ago, what I know and am convinced of to-day, I should have been in favour of giving a gratuity in the form of adding to the war service gratuity, doubling it or even trebling it, and giving it only for length of service and irrespective of grant. Had I known what I know to-day, had I known that all these fanciful schemes were to be put in force; had I known that our advertising was purely for the sake of raising false hopes in the soldiers; had I known that we had a soldiers re-establishment committee that did not re-establish; had I known that we had an employment bureau that could not find a soldier a job; had I known that we were going to give millions for pittances to help the needy but which only helped bums who would not work; had I known also that we were to have a land settlement scheme which admittedly is not a colonization scheme but a scheme for speculation, and which is admitted from the Government side to be a scheme only for the purpose of placing one class, and not the most numerous class who went to war—had I known of all this waste, and of waste in every other department of Government, I would assuredly have said: "When the soldier returns give him a lump sum to satisfy him." Then instead of the soldier who bewails the day and bemoans the fate that made him a patriot, we would have had a good citizen, proud of the country for which he achieved so much glory. That, Sir, would have been the best way to do it. I do not blame the Government—probably they too were full of ideas,—I do not blame anybody else for it.

Now, Sir, with respect to the amendment of my hon. friend from Skeena (Mr. Peck), I have opposed it in committee conscientiously and consistently. I think the country made a mistake when it ever gave loans to the farmers for settlement, and I thing everybody is satisfied on that point now. I believe the country would make another mistake if it gave loans to the fishermen. If we helped the fishermen in that way I see no reason why we should not help the grocery man, the joiner, the butcher, the baker and the candlestick maker—indeed, I see no reason why the lawyer and the doctor should not get their share of help. The doctor who went away to the war came back to find his practice ruined. Then, again, there is no reason why students should not be granted loans. So if my hon. friend will be logical I will follow him. If as soon as his fishermen have obtained loans he will be willing to ask for loans for every returnd soldier, I expect that he will then say, "Well, a certain number of returned soldiers cannot give security;" I will reply, "Those are the people who need loans most; therefore give help to them, give them a gratuity." If he is logical he will come to the same conclusion and give every soldier the gratuity that he is opposed to giving them to-day. So am I, I am opposed to gratuities at the present moment. But, as I say, if he is logical he will give a gratuity to the soldiers. So I am afraid I will be unable to support his amendment.

In conclusion I would ask the Government to do this for the soldier. They promised him all kinds of things, and as far as I remember they have done little or nothing to redeem their promises.

The primary object of the appointment of the Pensions Committee has been lived up to. To my mind, with the exception of some small amendments which might be made with regard to widows and other dependents of the deceased soldier, the provisions made by the committee are generous and fair. That is my greatest reason to objecting to having the work of the committee associated with re-establishment. Now, if the Government want to please the soldier why do they not follow the advice given to them by the President of the Great War Veterans' Association and by the President of the G.U.V.L.? They have asked the Government to do something very simple; something that will not cost the country a cent; something that will, in fact, save money. They have asked the Government to resign and go to the country.

[Mr. Power.]

Mr. SPEAKER: Order. I hope the hon. gentleman will bring his remarks more closely to bear upon the subject before the House.

Mr. POWER: Mr. Speaker, I am discussing the question of re-establishment and the demands of returned soldiers; in doing so I incidentally make the remark that perhaps it would be well for the Government to do for the soldier that which he demands. I had intended to make a few remarks on the subject, and was going to conclude by quoting something that I read last night.

Mr. SPEAKER: The hon. gentleman would be quite in order in making a reference, perhaps, to a general election. But he would certainly not be in order on this motion in making an argument as to why there should be a general election.

Mr. POWER: I am not making an argument on the question of a general election; not at all, Sir. I was reading last night something from Disraeli, who, shortly before the fall of the Gladstone ministry in 1872, said—and this is not an argument for an election:

> As I sat opposite the Treasury bench the Ministry reminded me of those strange landscapes not unusual in South America. You behold a range of exhausted volcanoes, not a flame flickers on a single pallid crest. But the situation—

Mr. SPEAKER: Order. The remarks of the hon. member are certainly not germane to the motion before the House, which is that the report of the committee be concurred in.

Mr. POWER: I am sorry, Mr. Speaker; I have no desire to infringe on the hospitality of the House or of the Chair, and if I have done so I must apologize. But the Committee on Re-establishment and Pensions was appointed, I understand, to listen to the just demands of the returned soldier—even, sometimes, to his unjust demands. This is one of his demands. Unfortunately it did not come before the committee; the committee did not think it their duty to consider it. I think it is my duty to direct the attention of the Government to the matter; however, if I am not permitted to do so I will say this: You have done nothing to fulfil the promises which you made to the soldier while he was overseas. He was to return home as the owner of Canada. True, you have given him pensions, but that was only your duty; it was only what you told him when he went overseas that you would do; it is only your

duty to the relatives of the men who died in France. But you have done nothing for the soldier since his return. Grant him this one request—that the Government go before the bar of public opinion and let the people judge.

Mr. W. F. MACLEAN (York South): Mr. Speaker, I wish at the outset to emphasize how much I have been impressed by the report submitted by the committee and to join with other hon. members who have expressed appreciation of its services. I believe the country appreciates what the committee has done. But I have been around the country a great deal; I have seen many of the returned soldiers in the cities and towns, and they still have a grievance. I notice in this House that those grievances are increasing, and that they are now taking the form of an appeal on behalf of classes or divisions. To-day a claim is put forward for the fishermen who were soldiers, and the suggestion is made that they be assisted in re-establishing themselves in their business. We have taken cognizance of the claims of returned men to be settled on the land, to be re-established as farmers and colonists. Then, we have heard to-day about students; and I am quite convinced that the number of claims on behalf of classes will continually increase. After studying the question as well as I can; after seeing the men themselves, reading what is going on in the press and hearing what has taken place at meetings of veterans all over the country, the thing that impresses me is that the only way to settle this question is to recognize all the soldiers who fairly served at the front and to give a very modest bounty in order to have the account closed. That is what the country wants. We do not want to have this discussion resumed session after session and I urge the Government that they take the matter into their own consideration and settle it from this point of view. I impress upon the House the need for trying to get this question closed. Instead of dealing with it by classes and by interests or from the standpoint of geographical considerations, the House or the Government should try to reach a settlement that will be final. To my mind—and I am only giving my own opinion—the best way to settle this question is by giving a modest gratuity or bounty to soldiers who did give their services to the country, who still think they have a grievance and who still have a hard time to get along.

Mr. MARCIL (Bonaventure): What is a "modest bounty"?

Mr. MACLEAN (South York): I do not know what it is; it is not for me to say. But to my mind that is the way to settle the question. I present that view to the House after hearing a great deal about the matter, after hearing from thousands of men in my constituency who feel that they have a claim for consideration in the way of a bounty. I say that the question will not be settled until it is approached from that broad point of view; until, instead of dealing with classes, we deal with returned soldiers as a body and give some kind of consideration to them, having regard to the extent that they served and were at the front and participated in the war.

Mr. D. D. McKENZIE (Cape Breton and Victoria): Mr. Speaker, the subject before us is a very important one, and will, no doubt, receive careful consideration at the hands of Parliament. We have heard a great deal about the comprehensiveness and sufficiency of the report brought in by the committee. I would have been surprised if such a committee, with such a head, had brought in anything but a comphehensive and somewhat satisfactory report. If I have any criticism to make with regard to the conduct of the committee it is that they sat too long. Perhaps it was difficult to finish the business in a shorter time, but seven or eight weeks is rather too long for a committee to sit. It takes practically eight weeks out of our sessions—which are long enough, goodness knows—and it cuts short the time for consideration of whatever report may be brought in. Perhaps I had not the ability to be named on this committee, but I regard myself as fortunate in escaping it. I was not on that committee; and if I had been, I would not say that I could have got through the work more quickly. If, however, I had any advice to give to a committee man, it would be to endeavour to select his subjects, that is, to select his witnesses, and if he can get three or four men who can tell their story in the right manner and to the extent that is necessary for the purposes of the committee, that is all that is necessary. In that way a great deal of time could be saved in the committee and more time left in the House to discuss the necessary details in putting a report of this kind into effective shape.

The hon. member for York South (Mr. W. F. Maclean) says that it would be de-

sirable to deal with this question expeditiously and to make an end of it. I would agree with him to a very great extent in that if it could be done. Certain classes we could satisfy, or we could at least tell them that that is all they are going to get, and that is the end of the matter, but there are only comparatively few of that class. On the other hand, we have on our hands a large body of men with whom we cannot deal in that way, men who are more or less maimed, some of them being 95 per cent incapacitated, others being 100 per cent incapacitated. We have also large armies of women and children on the hands of the Government and the country. Conditions vary from time to time, from year to year, and sometimes from month to month, and there must be an authoritative body to deal with those men, women and children in the different stages as they move along. Of course, they drop out as they die; the children drop out as they come of age and the widows drop out as they get married, or other changes take place in life. But there is a floating population, a stream of people walking alongside of us with whom we must keep in touch and of whom we must take care all along. That being the case, it is impossible to carry out in its entirety the proposition of the hon. member for York South that we should reach a conclusion, cut the thing off and be done with it. I do not say that in any harsh sense. I know the hon. member is anxious to deal in the most generous and best way with everybody who was concerned in the war. We all have a desire to get rid of troubles if we can, and we would get rid of any troubles of this class just as quickly as we could, but there is no use making the attempt because we have to look after the interests of those soldiers while they continue to require our assistance. So much for that.

The amendment that is before the House this afternoon is a very important one, one which deals specifically with the fishermen of this country. It is difficult to get in this country anybody who does not belong to some class. He is a very peculiar man whom you can single out by himself and say: He is alone; he does not belong to a class. I think it is a safe proposition to say that everybody belongs to some class or another, and if you do anything for any soldier you are possibly doing it for a man of that classs. I am not trying to make a proposition of dealing with a class easily; but when we segregate the soldier into classes we try to get them into the largest groups and to deal with the largest groups.



The farmer is possibly the largest group which went overseas, although I am not sure about that. The miner is a very large and extensive group; the lumberman is a large group, and the fisherman is a large group. I have no doubt the fishermen would be one of the large groups, and if we are going to deal with fishermen, we are dealing with them because they belong to a large class of people in this country. They are important people, good citizens, who have done their part in the war, who are a producing class, men who become heads of households, who have a family around them, who have a little stock of implements requisite for carrying on their trade. Besides that, as a rule, you find a fisherman with a little bit of a farm whenever he can get one and with a few cattle, doing the best he can to support his family. You also find him assuming the responsibilities of citizenship in whatever part of the country he lives. He is just as much a colonizer as a farmer. True, half a dozen farmers spread along the country-side, each with a farm, make a big showing, much more if you take 20, 30 or 50 of them and spread them along the country-side with farms. On the other hand, if you take 20 or even 50 fishermen and put them into a little village by the seaside where they follow their avocation of fishermen, they do not make much of a showing. I am going to leave them as a class because they do not require any advocacy on my part. Their standing in the country is as safe and high as that of any other class that we have. I have only one other commendation to make of the fishermen. When my right hon. friend (Sir Robert Borden) was running his election in 1911, not then burdened with the responsibility of being a Prime Minister, but having a fair hope that the goal of his ambition was not far distant, he singled out in this country one class of people who were the apple of his eye, upon whom he set his affection, and he said: "If I should ever come into power, there is in this country one class of people which, above all others, I should like to safeguard and protect and carry along safely, metaphorically speaking, in my arms, and those men are the fishermen. The right hon. gentleman told us then that if he should ever get into power he was going to apply for medical care and attendance for the fishermen of Canada. Of course, he did not do that, but that is always understood. The heart was there; the good intention was there, and if he did not look upon them as

the best class of men to single out for this great benefit to be conferred upon them; if they were not the class of people deserving of that, he would not have so singled them out. With all the other deserving characteristics of the fishermen of this country, I have to their credit this one thing which no other class of people in Canada has obtained from so high an authority as the Prime Minister. Whoever else will vote for this amendment if it comes to a vote, I feel confident that, in view of past opinions which the Prime Minister has held of the fishermen of Canada, he will not go back on his record and do anything but vote for this amendment and do the very best in the interest of the fishermen. I leave the question of the fishermen there to speak for itself.

There are occasions when I am influenced by certain hon. gentlemen in the House. I am delighted to be able to vote with the hon. member for Skeena (Mr. Peck). Almost every Scotchman is an admirer of another fighter, and I must say that I have the greatest possible admiration for the hon. member for Skeena, not for any political side that he may be on because, at present he is on the wrong side, but for other excellent qualities which he possesses. I am still hopeful that, when things mix up a little and when he gets his bearings again, he may wander to some more congenial clime than where he now chooses to set himself.

This amendment would be particularly embarrassing for me if I had any notion of voting against it—I may say I have not—because the hon. member for Gloucester (Mr. Turgeon) is the seconder. What am I going to do? I think he and I have always voted together, and I find it always safe to cast my vote with his. For that reason I shall be able to give undivided and unquestioned support to this amendment when it comes to a vote. There is another reason, which is close to the heart of every man, and that is one likes to give any cause a second chance. There will be a second opportunity, if the amendment is adopted, for the committee to gather up the details in this matter and deal with it briefly. Some hon. gentlemen say it would take too long. There is no reason why it should take long. The facts are all before the committee, and if the committee chooses to change their report, they can do so in half an hour. If they decide against changing it, that is an end of the matter.

There is another part of the committee's report which I wish to bring to the attention of the House, and that is the part dealing with vocational training. It has been brought to my notice that those who are engaged in the different courses of vocational training in this country are not satisfied with the hearing they received before the committee. I do not believe that is the fault of the chairman, or possibly the members of the committee. However, the fact remains that a large body of men who are receiving vocational training, particularly in the province of Ontario, and who were promised, I am told, that they would be called upon to appear before this committee to give evidence when the proper time came, were not called. The committee wound up its business and made its report without giving these men an opportunity to tell the committee what they thought should be done in their case. It is a great mistake for any committee, or even a judge or jury, dealing with returned soldiers not to give them the greatest possible opportunity of presenting their case and consider it in the most careful way. After that is done we must, of course, maintain that stability of judgment which should characterize us all, and deal with every subject upon its merits and within our powers. But we should not let it be supposed that we pre-judge a case, or reach a conclusion too quickly and refuse to give the men affected the fullest opportunity of presenting their case. I have here a statement prepared in writing. I am always timid when approaching the reading of a document in the House for fear I might be called to time, but I hope for the sake of saving time I shall be permitted to put this statement on Hansard so that the Prime Minister and the Government, and everybody concerned with the conduct of vocational training and soldiers' civil re-establishment may see it. What these men have to say, for I make no secret of the fact that this document which I hold in my hands was handed to me by gentlemen who are concerned about the matter of vocational training, is briefly this: Vocational training—and this is news to me is conducted differently in the province of Ontario from other provinces. The province of Ontario, possibly to the pride of the province, have insisted upon conducting this educational work themselves. It is only to-day that I discovered that while the bare machinery of conducting these schools —the appointment of teachers, and so forth —belongs to this Federal Government, the real substance of the work is carried on under the supervision and control of the Government of Ontario. I understand they

took this position because they insisted on provincial rights. They insisted that vocational training was education, and that being education, it came within their jurisdiction. They have maintained that position and I am told that the work is being done very well by the province, that, if anything, it is being done better in Ontario than in other parts of Canada. Let me as briefly as possible go over the few facts I have here, just by way of presentment of the case to the Government, with the hope that they will give the matter consideration. Whether this report is referred back to the committee or not, there will be an opportunity for the Government to put something in the Bill that will be of assistance to those who are receiving vocational training, if they think proper so to do. These are the facts I would put before the Prime Minister and the Government and hon. members of the House:

5 p.m.

Question 1.—In view of the fact that the clerk of the Parliamentary Committee on Soldiers' Civil Re-Establishment wrote to the Vocational Advisory Board of the Soldiers' Aid Commission, province of Ontario requesting that Major W. E. Harris and Captain W. C. Roberts, members of the Board, hold themselves in readiness to give evidence before the Committee on matters concerning Vocational Training.

Why was it decided that they should not be called?

Question 2.—Upon whose advice was it decided that they should not be heard?

Question 3.—Since, in the letter to the Chairman of the Committee, before the report of the Committee was tabled, these officers, representing the Provincial Government of Ontario, protested against the refusal to hear their evidence, and since they stated that the evidence heard did not cover all the points which they desired to submit, why was such discourtesy shown to the Provincial Government in that no attention was paid to their request and that their letter to the Chairman of the Committee was not even answered?

Question 4.—Does the Government consider that the evidence given before the Committee by Messrs. Stalford, Nicol, and Newman covered the whole ground and constituted a thorough investigation regarding existing conditions as regards Vocational Training under the D.S. C.R.?

Question 5.—In regard to the increase in rates recommended to be paid to Vocational Students from the 1st September next, was this decision arrived at after realization of the fact that since applications for Vocational Training had to be submitted before the 1st February 1920 and since courses are granted for periods of Six (6) months, then by the date mentioned for the increase, there will be only a few special students undergoing Vocational Training, and that therefore the increase does not serve the purpose for which it was designed while admitting the necessity for an increase?

Question 6.—Since a too strict interpretation of the regulation which states, that in order to be eligible for a Vocational Course a man must have a disability "due to or aggravated by service" has resulted in hardship to many men who have been refused a course on the ground that present disability pre-existed service, will the Government give information as to the number of men refused courses, because disability was not considered to be "due to or aggravated by service"?

Question 7.—Will the Government point out what evidence was taken by the Committee during the investigation made by them, concerning the matter dealt with in the previous question?

Question 8.—Since an order in council exists stating that the sum of $480.00 shall be the maximum amount expendable on a Vocational Course granted to a Minor, and since because the increase of allowances this amount will now be expended in six and a half months maximum, will the Government state what evidence was taken by the Committee to show that this time is sufficient for the purpose of training Minors?

The point here is that the amount was left the same, that is $480, and the term was shortened to six months. The money will be paid in six months, but the student is not half through his training and it is pointed out that some other provision ought to be made in order to give the student a sufficiently long period in taking his course to get the full benefit at the end of the term and make the student most useful to the community when he is ready to go out and begin work in whatever vocation he may have been trained for.

Question 9.—Is the Government aware that many Minors have not been re-established because the course given them is already too short, and that such a further shortening of the course cannot result in the purpose of re-establishment being served? What evidence was taken by the Committee concerning this subject?

Question 10.—Since a bonus of one months pay is paid at the completion of the course, to men granted a course by reason of disability, with a view to covering the time until employment can be obtained, why does the Government differentiate against the Minor in this regard and refuse to grant him such bonus? What evidence was taken by the Committee concerning this subject?

Question 11.—Why does the Government grant courses to Minors who enlisted under the age of 18 against military regulations, and refuse to grant courses to students and apprentices who, probably at the request of thir parents and according to the laws of the country waited until they were 18 years of age before they enlisted? What evidence was taken by the Committee which resulted in a decision to maintain this differentiation?

Question 12.—Since the Department of Soldiers' Civil Re-Establishment profess to use industries to train soldiers, chiefly because of the chance of employment at the completion of a course, why has it been necessary during the last year to double the staff of the After-Care Department at Provincial Headquarters D.S. C.R. at Toronto, if these men had been properly trained? What evidence was heard by the Committee in this regard?

Question 13.—In regard to Section (6) paragraph (f) of the Committees Report, what is

the general policy of the Government in regard to this loan? Will the Government make a return of the number of applications made, and the number of loans granted under this regulation?

Government found that where men have been placed directly in Industries to be Vocationally placed directly in Industries to be Vocationally trained therein, that such men have been exploited as cheap labour and that the main concern of the industry is to have the Government pay the salary of such employee and thus allow the Industry to reap the benefit of production at low cost?

The contention here is that where young men are put for vocational training in factories and other places the factory owners take advantage of their labour and do not give the training to the young men which is necessary to carry out the purpose for which they are there. That is a point that is well worth considering and if there is anything along that line which should be improved I have no doubt the Government will see that it is improved.

Will the Government point out what evidence was heard by the Committee in this regard?

Question 15.—Will the Government explain why all applications for Vocational Courses have to be submitted to Ottawa for approval and will it explain why in the case of No. 1063136 J. French there has been a period of 1 year and 10 months elapse between the time of his application for a course and the present and if the case is still pending?

Will the Government point out what evidence the Committee heard regarding the advisability of delegating power to the Provincial Headquarters of D.S.C.R. to grant courses, leaving general control of principles involved to Dominion Headquarters.

Question 16.—What action was taken to ensure that the Order in Council setting February 1st 1920 as final date for receiving applications for courses was given sufficient publicity?

How many applications for courses have been refused on account of being submitted after this date?

Will the Government point out what evidence was heard by the Committee on this point?

Question 17.—Since many men taking courses are physically sub-normal, what steps have the Government taken to ensure that the length of Course granted is long enough to ensure sufficient proficiency to earn a living wage on completion of his course.

What evidence was heard by the Committee in this regard?

Question 18.—In view of the fact that the points in regard to Vocational Training suggested in above questions, and in view of other facts not now mentioned, does the Parliamentary Committee consider that it has dealt with the important question of Vocational Training in an adequate and sympathetic way?

Question 19.—Will the Government grant any further facilities for a thorough investigation into the working of the Vocational Department D.S.C.R. with a view to improving existing conditions and formulating necessary remedies?

If I were in any other position than that of presenting the case of returned soldiers I would possibly feel that I was imposing on the House. But this is the case of returned soldiers who say that they were told to go before the committee and tell their story and that afterwards they were sent word that they need not come, that their case was not going to be heard. They accordingly take this indirect way of asking a member of this House, my humble self, to take advantage of the presentation of this report to bring the matter up and thus give them an opportunity of telling their story. This will go on record and the chairman of the committee, the minister in charge of this department, and everybody else who is in any way concerned about the welfare of these men receiving vocational training will have an opportunity of reading the story from their standpoint. The facts should be before Parliament and before the officials of the different departments concerned. I hope these various men who were subpoenaed to appear before the committee but who afterwards were not given the opportunity of telling their story will be called into the department and that the minister who is in charge of vocational training will give them the fullest possible opportunity of saying what they have to say and provide whatever remedies they are entitled to. I repeat to the Prime Minister and to the Government that it is highly necessary that every possible attention should be given to any cases of this kind, so that whether we can give money or whether we can give the things that we should give, one thing we will always give and that is a respectful hearing and a sympathetic ear to whatever these men have to present. They are entitled to it and I am sure there is no justification for a lack of attention when these men present their views on this very important subject. With the presentation of this matter and hoping that it will receive careful consideration and that whatever action is necessary may be taken, I will say again that I am in favour of classing the fishermen of this country as being amongst those who are entitled to receive consideration. I am in favour of including the fishermen of this country in the classes that are entitled to receive consideration. I think it was the hon. member for Frontenac (Mr. Edwards) who said that the fisherman cannot give the same security for the loan as the farmer. I do not quite agree with that. The fisherman would only require a small loan, the farmer gets a big one, and I submit to the Government that the security of the fisherman for a small loan, is just

as good as the security of the farmer for a large loan. I am not finding fault with the farmer who goes on the land. We give him land, we give him cattle, we help him to build a house—our money going to all of these purposes, and some of his own I suppose. Then he gives a security on what we have provided for him and we hope that it will be successful security and that he himself will be successful in his operations. That is the postion of the farmer. The fisherman builds a boat, constructs a little wharf, and equips himself with nets and whatever else is necessary for him to carry on fishing. The Government could take security on everything he has and lend him a few hundred dollars in order to start him up. In a very short time he would be able—if he has any luck at all—to pay that money back, because the turnover in fishing is very much more rapid than it is in farming; and I am quite confident that, taking the proportion of the two loans and taking the character of the security in each case, you will get just as good security from the fisherman proportionately as you do from the farmer. I am not saying that the farmer is less deserving of help than the fisherman. I say that both should be helped; and every returned soldier in this country that is willing to work, and produce, and support his family, should, within reasonable bounds, be helped. Along those lines I trust the committee will have another turn at this report, and, excellent as it now is, that they will give it a little polish that will reflect the face of the fisherman smiling, bright and happy.

Mr. MICHAEL CLARK (Red Deer): As I assume my hon. friend from Skeena will press his amendment to a division, and as I apprehend that no matter how an hon. member may vote on this question he is liable to be misunderstood I want to say a word or two by way of explanation of how, I, at any rate, shall vote. I shall support the report of the committee because of what it contains; I cannot see my way clear to oppose it because of what it does not contain. As my hon. friend from Carleton, N.B. (Mr. Caldwell) pointed out this is in the first place a very practical parliamentary question at this stage of the session. We have a committee which has drawn up a report as to which I should like, if time permitted, to repeat all the complimentary things which have been said of the chairman. In the drawing up of that report the committee have spent weeks of arduous and unremitting toil and in effect they say to the House: Having regard to the financial condition of the country which we have carefully gone into and having regard to the present claims of one particular class of the community, we do not feel that we can go further, as a pensions committee, than in suggesting, what all of us admit to be, most substantial advances, bringing what Canada has done for the disabled, and the dependents of the dead, into the front rank of the relief which has been given by any belligerent country. Now my hon. friend from Carleton, N.B., has told us on his authority as a member of the committee, that even if this report did go back to them at this stage of the session, he is perfectly confident that they have gone into the work so thoroughly the report would not be altered in the sense of the amendment. So I am brought to this position: If I voted for the amendment I should be showing for the returned soldier that of which he has had a very great abundance but which does not do very much for him; I should be showing sympathy, but there would be no possibility, or no probability, of giving him practical help. That is the practical Parliamentary question to settle; and I feel that so much pains have been taken with this report, it carries us so much farther on the road which we shall travel—believe me, Mr. Speaker,—for some time in this country, that I could not take the responsibility of running any risk about making immediate progress to the point that the committee has recommended.

Now, turn for a moment to the merits—

Mr. PECK: I would like to ask my hon. friend a question. Has he not repeatedly voted to defeat the Government, and had he succeeded would he not have prevented the good work of the committee and the advantages of this report from having been brought in?

Mr. CLARK: I have the very great difficulty in answering my hon. friend's question in that I did not hear a word of it. If my hon. friend will repeat it in a louder voice I will do my very best to give him as courteous a reply as I know how.

Turning to the merits of the question, I draw a sharp distinction in regard to an argument which has been touched upon by several hon. gentlemen. I draw a sharp distinction between farmers dealt with under the Land Settlement scheme, and fishermen or any other class of the community. Let me say in regard to the amendment in the first place that I do not think its drawing is very happy in this connection. The amendment asks us to give

subsidies to fishermen the same way that we have done to farmers. Well, Mr. Speaker, if I understand this question, we have not given any subsidies to farmers; we have given loans to farmers, so that I take it my hon. friend would regard my criticism of the wording of the amendment as well placed.

Mr. PECK: The object of the amendment is for aid to be granted in the way of loans, not subsidies.

Mr. CLARK: If that is what the hon. gentleman means I will not go any further in criticism of the wording of his amendment. I was saying, Sir, that I draw a sharp distinction between farmers dealt with under the Land Settlement scheme and the fishermen or any other class in the community. I was perfectly clear in my own mind—listening to the discussion on the Land Settlement scheme when it was first introduced, as I have on every subsequent occasion it has been before the House—that the intention of the Government as expressed by the Minister of the Interior was to give help to soldiers, it is true, under the Land Settlement scheme, but their first and most primary consideration was that that scheme was a fine thing for Canada. In that view I thoroughly concurred, and the Land Settlement scheme has had my modest benediction since its inception. Sir, I used an argument in the remarks I addressed to the House on the Budget, supported by figures, which went far, in my judgment, to show that it is upon the development of the land, upon the possibilities of agriculture, in this country, that we depend not only for our financial success but for our financial solvency in the years that are immediately before us; and I said in the original debate on the Land Settlement scheme that I supported it not in the view that it was any great benefit to the soldier to begin with—and I spoke from considerable experience of what he is up against and what he has to go through—but that in my judgment, considering the fibre of the men we were going to have on the land, it would be a splendid thing for the whole country. That I think differentiated the farmer from the other classes concerned not so much in quality as in degree. The fisherman—to the extent that he produces—of course benefits the country just as much as the farmer does; but we must consider what are the possibilities in the way of developing certain industries, what are the financial results to come out of the support of those varying industries, and I contend that my differentiation is well taken in that regard.

Now, that brings me to the consideration that after all, Mr. Speaker, in regard to a loan we are reduced in the last analysis to the elementary fact that two parties are concerned—one is the lender, the other is the borrower; and if the lender has nothing to lend, the borrower naturally goes out of the question, and the lender keeps out. We have the assurance that up to the present time, with the expenditure on the land settlement scheme and the other immense expenditures involved in the aftermath of the war, the country is strained to the utmost possibility of its finances. Faced with that condition of affairs, I come to the argument which I think is absolutely sound, that if you consider the case of the fishermen you must consider also the case of the man who wants to start a small business—in a word, you must consider any other class in the community who may have reasonable claims on the Government, the Parliament, and the people of this country for their war work. And if we considered this amendment we should be undertaking the first step in a whole series of financial commitments which would lead us to a point where I do not think the finances of the country could stand the strain. That is how the question looks to me up to the present moment.

There is only one point I have further to make, Mr. Speaker, and it is this. I do not take it that the report of the committee closes the door on further consideration of any soldier's case. I modestly offered to the House when the question of subsidies was up before a suggestion along the lines of my hon. friend from South York (Mr. Maclean), which I would have accompanied by the consideration that both parties to the bargain would regard the matter as closed—

Mr. W. F. MACLEAN: Hear, hear.

Mr. MICHAEL CLARK:—which received at that time very scant support in this House, and later very scant support from the committee. I fear that for the moment that suggestion has gone by the board. But I want to repeat that I do not vote for the adoption of the report of the committee on the understanding that it closes the question of the returned soldier. We shall not be able to close it, because we may be sure that it will crop up in various shapes in the years to come. But I do repeat that we have gone a long way for the moment.

Now, there is the practical consideration which I wish to offer to the Government, if I may do so, in regard to this matter being closed. I tried to find out from my hon. friend the ex-Minister of Militia while he was still in office—but he told me the work was not really in the Militia Department—whether the Government had accurate statistics as to how many returned men are now reasonably placed in this country. What occurs to me from time to time, knowing my own immediate surroundings in Alberta, is that most of the sons who have happily come back to their homes are continuously and profitably employed on the farms from which they went to the war. I want to say to my hon. friends of the Government in very good faith and with very great earnestness, that I think it would greatly facilitate the work of Parliament and of this Government in future appeals that are made to us if an endeavour were made through some department to get accurate statistics as to how many returned men are placed, and how many there are yet to place. So that I think in the recess —which I trust we shall approach sometime between now and Christmas; rather near midsummer than Christmas, I hope—inquiry might very well be made along that line, and the Government might endeavour to furnish themselves with information which would be helpful to us in future appeals to this House—or to some other House with a much changed personnel.

As I see the question up to the present moment, I have in the brief period—in the ordinary acceptation of the adjective brief—put my views as well as I know how before the House, and I shall vote with a clear conscience for the report.

Rt. Hon. SIR ROBERT BORDEN (Prime Minister): I think there is a good deal of merit in the contention put forward by my hon. friend (Mr. Clark), as to the importance of exact statistics so far as they can be obtained with respect to the present occupations of men who went overseas to fight in pursuance of their duty to their country. There is much to be said for that contention, and I am not certain whether the committee whose labours have been so prolonged have given any consideration to the importance of such statistics or to the means by which they could be obtained. For the moment I can only say to my hon. friend from Red Deer (Mr. Clark) and to the House that I shall commend his suggestion to the attention of the Minister of Militia and to the attention of the Minister of Soldiers' Civil Re-establishment, and I hope that the House may at the earliest available opportunity have the information which has been asked for.

So far as the motion itself is concerned, no one can deny that it demands the most attentive consideration, and that for two reasons. In the first place, it concerns the report of a committee which for nine weeks was engaged in as active and laborious work upon the questions committed to it as was ever performed, I think, by any committee of this House. And I desire to associate myself most unreservedly with all that has been said in appreciation of the work of the members of the committee, and especially of the work of the chairman and vice-chairman. Then the motion is also deserving of our closest attention because it has relation to men who fought overseas and who belong to a class whose occupation is of the highest advantage to the country as a whole, who are distinguished by their zeal and industry in that occupation, and who are deserving of every possible consideration that Parliament and the country can give to them.

I find, however, that the question involved in the amendment has been dealt with in the report of the committee and has been carefully considered by that committee. They say in their report:

> As was more fully set out in the Report of last year, financial assistance in the form of loans or grants has been suggested for the benefit of a great variety of classes of returned soldiers whose needs covered almost every possible activity.

And after enumerating some of these, including fishermen both on the coasts and in the inland waters, university students, and those who desire loans for the purpose of re-paying mortgages or other indebtedness on their houses, or of buying or erecting homes in which to reside, and various other classes, the committee say in conclusion:

> The difficulty which faced your Committee was the conviction that a grant to any particular class or classes, no matter how worthy or pressing their needs might be, must inevitably result in the widest extension of a system of loans for all and every purpose of re-establishment.
>
> No concrete, workable plan whereby such a general system of advances could be safely adopted has been suggested, and your Committee feels unable to recommend any scheme which could equitably supply the demands of the many whose suggestions have been brought to its attention.

Now, we referred this question to a strong and very representative committee of the House, and I think we are all agreed that

the labours of that committee have been intelligent, zealous and indefatigable. The member for North Cape Breton and Victoria (Mr. McKenzie) presented a very extraordinary argument; he said that he would like the committee to have a second chance. Well, that principle if carried out to its logical conclusion would result in the reference back of every report made by a committee of this House in order that they might have a second chance. It is precisely the reverse of the principle upon which Sir Wilfrid Laurier acted. Sir Wilfrid Laurier always took firm ground that when any matter had been referred to a committee of the House and had been dealt with by that committee and opportunity had been given for the consideration of every question so referred, the report of the committee ought to be adopted and approved by the House unless the strongest possible reasons to the contrary could be substantiated. I think that is a very good principle in any case, but particularly I think it is a good principle to apply to the report of a committee which has been so active, so earnest and so zealous in its work as the committee in question.

I would like to emphasize what has been said by one or two hon. members. It is perfectly easy for us, sitting in this Chamber, to vote that a great many millions shall be provided for the purpose of making loans, but it is an entirely different question when you come to look around for the money with which to do it. I sometimes doubt whether hon. members realize just what the financial burdens of this country are. Twenty-four years ago to-morrow I was first elected to this House. When I came here in 1896 one usual ground of contention between the parties during the previous three, four or five years, and one serious ground of contention then, was whether or not the expenditure ought to be above or below $40,000,000 in each year. The interest on the public debt to-day is $100,000,000 more than the amount which was regarded as a reasonable annual public expenditure twenty-four years ago. The pension list of Canada has increased—it is very properly increased by the committee to whom the question was referred—until it is almost equal to the total expenditure of this country when I first entered Parliament. I think we must all realize, earnest as we are in the desire to help in every way the men who have done so splendidly their duty at the front, that there is, nevertheless, a real limit beyond which we cannot go in the provision of money, whether by grant or loan or other method, and I hope that the House will bear that in mind. The member for Skeena (Mr. Peck) has put his case very forcibly to the House and he has been eloquently supported by my hon. friend from Gloucester (Mr. Turgeon). The hon. gentleman's motion, in the terms in which it was proposed, does not quite express what he had in mind. It reads as follows:

> That the said report be not now concurred in, but that it be recommitted to the Special Committee appointed to consider the continuance of the war bonus, with instructions that they have power to amend the same so as to recommend that subsidies be granted to fishermen as well as farmers.

My hon. friend explains that the intent of his amendment is to provide something in the form of loans, and we shall accept, of course, the meaning which he had in mind. But may I point out to my hon. friend from Skeena, my hon. friend from Gloucester and other gentlemen who have spoken in this matter that as soon as the report of this committee was made and presented to the House, the Government felt so impressed by that report—having regard to the personnel of the committee, and the work which to the knowledge of the Government that committee had done, and the devotion and ability which they had brought to the task—that we immediately placed on the Orders of the Day the resolutions necessary to carry out that which the committee had recommended. We subtracted nothing; we took the report of the committee as a whole and put on the Order Paper the resolutions necessary to carry it out. I had hoped to make some progress with these resolutions this afternoon, and I trust that before the House rises to-night we shall make some progress and have the Bills introduced and read the first time. But if the motion of my hon. friend from Skeena should prevail and this report should be referred back, what would be the position of the Government? Are we to hold our hand and take no further action until we know whether or not that report is to be modified? That must result in one of two things: either prorogation will have to be deferred for some time, or we shall let this legislation stand over until another session. I am anxious, and I know that my hon. friend from Skeena is anxious, to give effect to the report of the committee in so far as it does bring aid and comfort and help to those who have fought for us in the war and to their dependents. Now, if this report is referred back, the committee will either go through the empty form of

having another vote or it must embark once more upon a careful examination of the matters to which they have already given attention during some nine weeks. Under the circumstances, is it possible for us to imagine that the one course or the other would really result in inducing members of the committee to alter the opinion which they have already expressed? I hope, therefore, that the hon. member for Skeena and the hon. member for Gloucester, whose views in these matters are entitled to the utmost respect, will see the advantage, from the standpoint of the returned men themselves of having the aid and comfort and help recommended by the committee embodied in actual legislative proposals and passed by Parliament at the present session. That is what the Government had in mind; that was the impelling reason that induced the Government, the very moment this report was laid on the table of the House, to place upon the Order Paper the resolutions necessary to carry it out.

Mr. PECK: I do not know whether under the rules of debate I am entitled to reply.

Mr. SPEAKER: No, the hon. member (Mr. Peck) is not entitled to reply, but if he desires to ask the unanimous consent of the House to do so, I will submit the question to the House. Is it the pleasure of the House that the hon. member have leave to reply?

Some hon. MEMBERS: Carried.

Mr. COPP: Before the hon. member for Skeena (Mr. Peck) replies, I may say that if the question is going to a vote I wish to make a few remarks. If, on the other hand, the hon. member intends to withdraw his amendment, I do not care to take up the time of the House. If my hon. friend is not going to withdraw his amendment—

Mr. PECK: I am in a very difficult situation—

Mr. COPP: —I will say just a word or two. It will take me only a few moments.

Mr. SPEAKER: It is not understood that the hon. member for Skeena (Mr. Peck) now closes the debate.

Mr. COPP: All right.

Mr. PECK: I am put in a most difficult situation. The reason I moved this amendment was because I wanted to achieve results, and I thought that my amendment in regard to fishermen had the best chance of carrying of anything that might be suggested in regard to the re-establishment of returned soldiers. Many other suggestions in that direction might be made, but I did not consider that they had the same prospect of carrying. When hon. gentlemen say to me "The fishermen are a class;" I know that quite well, and I pointed out in my speech that that argument would be used, and it has been used by hon. gentlemen who professed to be great opponents of what they are pleased to call legislation for a class. The Prime Minister Sir Robert Borden), if I understand him aright, says to this House that the effect of adopting my amendment would be to put the House in the position of showing a callous indifference to the report of the committee or to delay prorogation. If that be the case, I certainly will not stand in the way, as I said in the earlier part of my speech, of all the good things that may be done for returned soldiers and their dependents in accordance with the report of the committee. If we are to accept the statement that this report must go through in its present form or not at all, I am going to withdraw my amendment, but I would appeal to the Government and to the House to do something for the returned soldier in the direction I have indicated. I do not care about technical forms or what you do with them. Men say that you should not act in this manner because this, because that, or because the other thing, as regards the committee report. But what I want to achieve is results, and if the Government promises and if the House will do better things than my poor amendment will achieve, I am prepared to withdraw my amendment. All I want to do is to get the very most I can for the returned soldier, and I took this question of aid to the fishermen, which I knew so many members on both sides have stated they are in favour of, as the one thing that was most likely to pass in the House. I am prepared to accept what the right hon. gentleman who leads the House may give us and what I think we may get, and with the consent of the hon. member for Gloucester (Mr. Turgeon), I will withdraw my amendment.

Mr. TURGEON: I will assent to that.

Amendment withdrawn.

Mr. HUME CRONYN (London): Mr. Speaker, may I say just a word—

Mr. SPEAKER: The hon. gentleman has the right to reply, but if he speaks now the debate will be closed.

Mr. CRONYN: I will not detain the House more than one moment, and I am

not going to cover the ground already so fully covered; but I perceive for the first time a communication read by the hon. member for Cape Breton North and Victoria (Mr. McKenzie), and I think it is only due to this House and to the gentlemen concerned that I should make some explanation in regard to the matter. It is quite true that those gentlemen did communicate with the committee and requested to be called and to present, as well, a statement of their contentions or recommendations. They were not called, and the reason why they were not called was that the committee found Parliament nearing prorogation and, therefore, was quite unable to hear a good deal of the evidence which was to have been tendered to it. The committee itself decided that those gentlemen should not be called. Complaint is made that I am discourteous in not replying to a letter which those gentlemen addressed to me. The facts are that those gentlemen, being in Ottawa for some other purpose, saw the clerk of the committee, and, as I am told, he had explained to them the reason why their evidence could not be heard. They did not see me, the chairman of the committee, nor the vice-chairman, nor, so far as I am aware, any other member of the committee. They sent a letter of protest, and I regret to say that that letter, which reached me, I think, only a few days ago, lay on my desk amongst at least one hundred other unanswered letters. I have not been able to give a moment of time to anything other than the preparation of this report and the laying of it before the House. I regret as much as any one could my failure to answer that letter. The circumstances prevented our hearing those gentlemen; we sat too long, as the hon. member says, and as I thoroughly agree; but we had before us, not only nearly 700 communications, but 500 pages of various suggestions, resolutions and reports from different bodies. We could have sat for another two months and still not have completed our work.

Motion to adopt the report of the committee agreed to.

## BUSINESS OF THE HOUSE.

Sir ROBERT BORDEN (Prime Minister): I beg to move:

That in view of the late period of the session, Private Bills sent by the Senate to this House for concurrence be read twice on the same day, and that Rule 103, relative to the posting of such Bills, be suspended for the remainder of the session.

He said: I am informed that unless this motion passes, a number of Bills in respect of which a great deal of work has been done in the Senate and a good deal of expense incurred as well, will have to be dropped.

Mr. McKENZIE: I have no recollection of ever before hearing such a motion as that moved by the Prime Minister.

Sir ROBERT BORDEN: I have frequently seen motions of that character which suspend formal rules of the House at a late period of the session.

Motion agreed to.

Mr. MICHAEL STEELE (Perth South): I move:

That Bill No. 193 (from the Senate) for the relief of Nora Dowle, be placed on the Order Paper amongst Private Bills for second reading this day.

Motion agreed to.

## LEGISLATION RESPECTING SOLDIERS.

### RULES OF HOUSE SUSPENDED TO EXPEDITE THE LEGISLATION BASED ON REPORT OF PENSIONS COMMITTEE.

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): In view of what I said just now upon the amendment of the hon. member for Skeena (Mr. Peck), I would ask the House, if it meets with their approval, to permit such of the resolutions on the Order Paper as are based upon the report of the Committee on Pensions and Re-establishment to be passed in order that the Bills may be introduced and read a first time. Of course, we shall have to go into committee on the resolutions; and I mean simply this, that, under the circumstances, as the report has been approved and as all these Bills are founded upon that report, and, moreover, as all these Bills are in the form recommended by the committee after careful consideration, we might for the purpose of advancing the proceedings a stage, take the resolutions pro forma, as there will still be most ample opportunity of discussing the subject either upon the second reading of the Bills or in committee of the whole House upon the Bills.

Mr. MACKENZIE KING: I see no objection to the course my right hon. friend has proposed. I agree that it will expedite the legislation, and it is obviously in the interests of the returned soldiers and the public that we should expedite it.

## STATE INSURANCE FOR RETURNED SOLDIERS.

On the motion of Rt. Hon. Sir Robert Borden (Prime Minister) (for Sir Henry Drayton) the House went into committee to consider the following proposed resolution, Mr. Boivin the Chair:

Resolved,—1. That it is expedient to bring in a measure to provide that the Minister of Finance or such other minister as the Governor in Council may determine may enter into an insurance contract with any returned soldier domiciled or resident in Canada or any widow of a soldier so domiciled or resident for the payment of five hundred dollars or any multiple thereof not exceeding five thousand dollars, one-fifth thereof payable on death of insured and the remainder at option of insured, and after his death at the option of the beneficiary as a life annuity or as an annuity certain for five, ten, fifteen or twenty years, or as an annuity guaranteed for five, ten, fifteen or twenty years and payable thereafter as long as the beneficiary may live.

2. That the contract may provide that the payment of premiums may be waived if the insured becomes totally disabled, if such disability does not entitle him to a pension under the Pension Act, that he may receive an amount not exceeding one-twentieth of the sum insured but not to exceed twenty payments in all, and that if he dies before such payments are completed the balance assured may be paid as a death benefit.

3. That the payment be made to the wife, husband, child, grandchild, parent, brother or sister of insured or person entitled under any regulation to be a beneficiary.

4. That if insured is a married man or a widow with child or children the insurance shall be for their benefit, or some one or more of them at insured's option; if a widow the insurance shall be for the benefit of such person or persons within the classes mentioned in resolution three as may be shown to the satisfaction of the minister to be to a substantial extent dependent on the widow; if an unmarried man or a widower without children the insurance shall be for his future wife or future wife and children.

5. That where a beneficiary dies in the life time of the insured he may declare that the share of such person shall be for the benefit of his wife or child or one or more of them, and, in default of such declaration, the share shall be apportioned in equal shares if there is more than one beneficiary. If all beneficiaries so die the insured may declare that the money shall be for the benefit of his wife or his surviving children, if any, and if he makes no declaration the money shall be divided equally among his wife and surviving children, and, if there is no wife or children, the money, subject to the provisions mentioned in resolution three, shall become part of his estate.

6. That if on the death of the insured a pension becomes payable under The Pension Act to any person or persons within the classes mentioned in resolution three there shall be deducted from the benefit payable the aggregate present value of the pension or pensions so payable computed on such basis as may be prescribed by regulation, and in such case there shall be returned to the beneficiary or beneficiaries in proportion to their respective interests under the contract the proportion of the premiums paid (with interest at four per cent per annum, compounded annually), which the amount of the said deduction is of the total amount assured under the contract.

7. That if the insured survives all the persons to whom the death benefit may be paid under the provisions of resolution three, or if all the said persons die before the payment of the instalments of the death benefit have been completed, the estate of the insured shall be entitled to receive only the amount by which the reserve under the contract at the time of the death of the insured exceeds the sum of the payments so made. In this resolution the word "reserve" means the net premium value of the contract on the basis of the British Offices Life Tables, 1893, Om (5), with interest at the rate of four per cent per annum.

8. That when no apportionment is made of the insurance money all persons interested as beneficiaries shall share equally therein.

9. That the contract may provide for payment of a single premium or premiums uniform throughout the lifetime of insured or during lifetime of insured for ten, fifteen, or twenty years, or until the age of sixty-five.

10. That no medical examination shall be necessary unless the minister deems it necessary to enable him to decide whether or not he will refuse in any particular case to insure.

11. That the insurance shall not be assignable or liable to claims of creditors.

12. That the Governor in Council may make regulations respecting forms of contract, proof of age, etc., and for carrying out the purposes of the Act.

13. That moneys received shall be paid into the Consolidated Revenue Fund, and moneys payable shall be paid out of such fund.

14. That an annual statement shall be laid before Parliament.

15. That no contract of insurance shall be entered into after July 1, 1922, and that the measure shall come into force on August 1, 1920.

Resolution reported.

Sir ROBERT BORDEN (for the Minister of Finance) thereupon moved for leave to introduce Bill No. 195, to provide for the insurance of returned soldiers by the Dominion of Canada.

Motion agreed to, and Bill read the first time.

## ROYAL CANADIAN MOUNTED POLICE ACT AMENDMENT.

On motion of Rt. Hon. Sir Robert Borden (Prime Minister) (for Hon. Mr. Rowell) the House went into committee to consider the following proposed resolution, Mr. Boivin in the Chair:

Resolved, That it is expedient to bring in a measure to repeal the proviso to section eight of chapter sixty-nine of the statutes of 1919, which provides that the amount of any pension, gratuity or allowance which any member of the Royal Canadian Mounted Police receives or is entitled to receive or apply for, in respect of any injury received by him while serving in the military, naval or air forces aforesaid (that is to say, of His Majesty) shall be deducted from any pension, gratuity or allowance to which

such member would be entitled under the said Act (that is, the Royal Canadian Mounted Police Act, Revised Statutes of Canada, 1906, chapter ninety-one), other than a pension for years of service, irrespective of any infirmity of mind or body or bodily injury; and no widow or child of any such member who received, or is entitled to receive or apply for, any pension, annuity, gratuity or allowance in consequence of the death, incapacity or injury of any such member while serving in the forces aforesaid, shall be entitled to any pension, annuity or allowance under the said Act.

Mr. MACKENZIE KING: This has nothing to do with returned soldiers.

Sir ROBERT BORDEN: It is based on the committee's report.

Mr. MACKENZIE KING: This resolution is based on the recommendations of the committee and follows their report literally?

Sir ROBERT BORDEN: Yes, and the Bill also, which was prepared by the committee.

Resolution reported.

Hon. Mr. ROWELL thereupon moved for leave to introduce Bill No. 196, to amend the Royal Canadian Mounted Police Act.

Motion agreed to, and Bill read the first time.

## MILITIA PENSION ACT AMENDMENT.

On the motion of Rt. Hon. Sir Robert Borden (Prime Minister) (for Hon. Mr. Guthrie) the House went into committee to consider the following proposed resolution, Mr. Boivin in the Chair:

Resolved, That it is expedient to bring in a measure to repeal subsection two of section twenty-five of the Militia Pension Act, which provides that if a widow or child is entitled to a pension, gratuity or allowance under the said Act and is also entitled to a pension gratuity or allowance under any other Act passed by the Parliament of Canada, or under any law of the United Kingdom of Great Britain and Ireland, or under the law of any other portion of His Majesty's Dominions, such widow or, in the case of a child, the parent or guardian, or tutor of such child shall elect which pension, gratuity or allowance she or he desires to accept, but no widow or child shall receive two pensions, gratuities or allowances.

Sir ROBERT BORDEN: This is in the same category as the other resolutions.

Resolution reported.

Sir ROBERT BORDEN thereupon moved for leave to introduce Bill No. 197, to amend the Militia Pension Act.

Motion agreed to, and Bill read the first time.

## PENSION ACT AMENDMENT.

On the motion of Rt. Hon. Sir Robert Borden (Prime Minister) the House went into committee to consider the following proposed resolution, Mr. Boivin in the Chair:

Resolved, That it is expedient to amend the Pension Act, chapter 43 of the statutes of 1919 and to provide:—

1. That the salaries of the two commissioners shall be increased from $5,000 to $6,000 per annum.

2. That the commission shall award pensions to or in respect of members of the force who have suffered disability in accordance with schedule A hereto, and to or in respect of members of the force who have died in accordance with schedule B hereto.

3. That the provisions of section 12 relating to cases of intemperance or improper conduct, shall not apply when the death of a member of the force has occured on service.

4. That section 13, relating to the time within which application must be made for pension, be amended to provide that application may be made within three years after the date of the completion of his treatment by the Department of Soldiers' Civil Re-establishment when he was retired or discharged direct to such treatment or undertook such treatment within six months after his retirement or discharge.

5. That section 14 be amended to provide that pensions shall be awarded according to rank or acting rank at the time of appearance of "the injury or disease" instead of "the disability," and that the same amendment do apply to cases of voluntary reversion.

6. That section 17 relating to suspension of pension on imprisonment be amended to provide that payment may be re-considered upon the pensioner's release in accordance with the extent of his disability then shown to exist.

7. That section 22 of the said Act relating to persons receiving several pensions be repealed.

8. That subsection one of section 23 relating to pensions to children be amended to provide that no pension shall be paid to or in respect of a child who, if a boy, is over the age of sixteen years or, if a girl, is over the age of seventeen years, except when such child and those responsible for its maintenance are without resources and,—

(a) such child is unable owing to physical or mental infirmity to provide for its own maintenance, in which case the pension may be paid while such child is incapacitated by physical or mental infirmity from earning a livelihood provided that no pension shall be awarded unless such infirmity occurred before the child attained the age of twenty-one years; and provided also that if such child is an orphan the commission shall have discretion to increase such child's pension up to an amount not exceeding orphans' rates;

(b) such child is following and is making satisfactory progress in a course of instruction approved by the commission, in which case the pension may be paid until such child has attained the age of twenty-one years.

No pension shall be paid to or in respect of a child after its marriage.

And, further, that in subsection two of this section, the term "appearance of the injury or

disease" shall be substituted for the words occurrence or appearance of the disability."

9. That subsection 3 of section 25, relating to pensions for disabilities, be amended to provide that no pension shall be paid for a disability or disabling condition which at such time was wilfully concealed, was obvious or was a congenital defect.

10. That subsection 2 of section 26 be amended to provide that whenever a pensioner is required by the commission to be medically re-examined he shall be paid a reasonable amount for travelling expenses, subsistance and loss of wages. If any pensioner, after notice by registered mail, unreasonably refuses or neglects to present himself for medical re-examination, his pension shall be suspended and no pension shall be paid him in respect of the period during which such refusal or neglect continues.

11. That the provision of subsection 1 of section 27 of an extra allowance for total disability be amended to provide that the addition to the pension may be not less than $250, and not exceeding $750 per annum.

12. That subsection 2 of section 27 be amended to provide that if such member of the forces holds the rank of Commander and Captain under three years seniority (Naval) or Lieutenant Colonel (Militia) he shall be entitled to an addition to his pension not exceeding ninety dollars per annum, if he holds the rank of Lieutenant Commander (Naval) or Major (Militia) to an addition to his pension not exceeding three hundred and ninety dollars per annum, and if he holds the rank of Lieutenant (Naval) or Captain (Militia) to an addition to his pension not exceeding six hundred and fifty dollars per annum.

13. That the provisions of paragraph (b) of section 28, relating to the time from which pension shall be paid, be amended, to provide, that in the case in which a pension is awarded to an applicant the appearance of whose injury or disease which caused his disability was subsequent to his retirement or discharge the pension shall be paid from the day upon which the application for pension has been received.

14. That section 30 be amended by adding thereto the provision that when a pensioner commences treatment under the jurisdiction of the Department of Soldiers' Civil Re-establishment and his pension, including the pension, if any, for his dependents, is greater than the pay and allowances issued by that department, there shall be deducted from such pension towards the cost of maintenance in hospital an amount equal to the difference between such pension and such pay and allowances.

15. That the provisions of subsection 3 of section 31, relating to the maintenance of parents, be repealed, and in lieu thereof it be enacted that when a member of the forces, previous to his enlistment or during his service, was maintaining or was substantially assisting in maintaining one or both of his parents, an amount not exceeding one hundred and eighty dollars per annum may be paid to him for each of such parents as long as he continues such maintenance.

16. That section 32 be repealed, and in lieu thereof it be enacted that when a pensioner pensioned on account of a disability has died and his estate is not sufficient to pay the expenses of his last sickness and burial, the Commission may pay such expenses, or a portion thereof, but the payment in any such case shall not exceed one hundred dollars.

[Sir Robert Borden.]

17. That the provision of subsection 1 of section 33 be amended to provide that no pension shall be paid to the widow of a member of the forces unless she was married to him before the appearance of injury or disease which resulted in his death.

18. That subsection 2 of section 34 be repealed and in lieu thereof it be enacted that in cases in which a member of the forces has died leaving a widow or a widow and children or orphan children entitled to pension in addition to a parent or person in the place of a parent who previous to his enlistment or during his service was wholly or to a substantial extent maintained by him, the Commission may, in its discretion, award a pension to each such parent or person not exceeding one hundred and eighty dollars per annum.

19. That subsection 4 of section 34 be repealed, and in lieu thereof it be enacted that,—

(a) In cases in which a member of the forces has died leaving more than one parent or person in the place of a parent who were wholly or to a substantial extent maintained by him, the pension for one such parent or person may be increased by an additional amount not exceeding one hundred and eighty dollars per annum and the total pension apportioned between such parents or between the parent and such other person.

(b) The pension to any parent or person in the place of a parent shall be subject to review from time to time and shall be continued, increased, decreased or discontinued in accordance with the amount deemed necessary by the Commission to provide a maintenance for such parent or person, but in no case shall such pension exceed the amount of pension prescribed for parents in Schedule B of this Act.

(c) When a parent or person in the place of a parent has unmarried sons residing with him or her who should, in the opinion of the Commission, be earning an amount sufficient to permit them to contribute to the support of such parent or person, each such unmarried son shall be deemed to be contributing not less than ten dollars a month towards such support.

(d) The pension to a widowed mother shall not be reduced on account of her earnings from personal employment or on account of her having free lodgings or so long as she resides in Canada on account of her having an income from other sources which does not exceed two hundred and forty dollars per annum.

(e) The pension to a parent or person in the place of a parent shall not be reduced on account of the payment to such parent or person of municipal insurance on the life of a deceased member of the forces.

20. That section 38 be repealed, and in lieu thereof it be enacted that pensions awarded with respect to the death of a member of the forces shall be paid from the day following the day of the death except,—

"(a) in the case in which a pension is awarded to a parent who was not wholly or to a substantial extent maintained by the member of the forces at the time of his death, in which case the pension shall be paid from a day to be fixed in each case by the Commission; and

"(b) in the case of a posthumous child of a member of the forces, in which case the pension for such child shall be paid from the date of its birth."

21. That section 46, relating to supplementary pensions for disability in respect of members

of the Allied Forces other than those of Canada, be amended to make this section applicable only to persons of the rank of Warrant Officer or of a higher rank.

22. That section 47 be repealed and it be inacted in lieu thereof that when a person of the rank of Warrant Officer or of a higher rank in any of His Majesty's naval, military or air forces other than the naval, military or air forces of Canada, or when a person in the naval, military or air forces of one of His Majesty's Allies who was domiciled and resident in Canada at the beginning of the war has died during the war or thereafter as the result of a disability incurred during the war or demobilization and his widowed mother, widow or children have been awarded a smaller pension than they would have been entitled to under this Act in respect of his death, such widowed mother, widow or children shall be entitled, during the continuance of their residence in Canada, to such additional pension as will make the total of the two pensions received by them equal to the pension that would have been awarded if the person aforesaid had died in the military service of Canada."

23. That the following provisions be added to the said Act:—

"47a. The pensions which are now being paid by Great Britain for disabilities or deaths which occurred during the South African war to or in respect of members of the Canadian Contingents which served in that war shall hereafter be supplemented during the continuance of the residence in Canada of the recipients of such pensions by such additional pensions as will make the total of the two pensions received by them equal to the pension that would have been awarded if they had been disabled or had died in the military service of Canada during the war.

"47b. The pensions which are now being paid to or in respect of members of those forces who served in the Fenian Raid or Northwest Rebellion, during the continuance of the residence in Canada of the recipients of such pensions, shall hereafter be increased to the rates set forth in Schedules A and B to this Act."

24. That Schedules A and B of the said Act be repealed and the Schedules A and B to these Resolutions be substituted therefor.

25. That all cases affected by the proposed Act shall be reviewed and future payments shall be made at the rates and in accordance with the provisions set forth herein. Provided that when death or disability has occurred previous to the coming into force of the proposed Act, the provisions of the Act shall not operate to remove from any applicant for pension any rights which he had in virtue of the Pension Act.

26. That the Act to be based upon these Resolutions shall come into force on the first day of September, 1920.

Resolution reported.

Sir ROBERT BORDEN thereupon moved for leave to introduce Bill No. 198 to amend the Pension Act.

Motion agreed to, and Bill read the first time.

At Six o'clock the House took recess.



## After Recess.

The House resumed at Eight o'clock.

## PRIVATE BILLS.

### SECOND READING.

Bill No. 193 for the relief of Nora Dowle.—Mr. Douglas (Strathcona).

## THE LEAGUE OF NATIONS.

### STATEMENT BY SIR HERBERT AMES, FINANCIAL DIRECTOR OF THE SECRETARIAT.

On the motion for the House to go into Committee of Supply:

Sir HERBERT AMES (St. Antoine): Mr. Speaker, nine months ago, at the desire of the Prime Minister, I went overseas to accept the position of Financial Director of the League of Nations Secretariat. At that time, I knew little of the work or of the conditions under which it was to be carried on. I had read the covenant; I believed in its ideals and as a Canadian was proud of Canada's prompt decision to enter the League, but my action was influenced by faith rather than by sight. I found but little evidence of life. The Treaty was as yet unsigned. The League of Nations was unborn. The prophets of evil on every hand gave little hope of future success. I had a certain amount of foreboding, I will admit, lest I should find myself reaching for a shadow and losing a reality.

But I am here to-night, Mr. Speaker, in an altogether different attitude of mind. The League of Nations is no longer a dream; it is a reality; it has being; it has form; it has organs; it functions. Many difficulties have been overcome; many dangers avoided. There are still difficulties and dangers in the way but I am to-day convinced that ultimate success is reasonably sure, so convinced that I am ready to stake my future on this issue.

It is for this reason that I have returned to place before this sympathetic audience, this House in which I have served for 16 years, and in which I am glad to believe I have many true friends, an appreciation of the situation as I know it, and to record a solemn declaration that in my judgment, in entering the League of Nations, Canada has made no mistake. I would ask permission, Mr. Speaker, to submit proofs for this assertion and also to be allowed to urge still further co-operation, if that be possible.

May I preface my remarks with this statement, that, in my opinion, our inter-

national relationships should be free from partisanship. This is the spirit and the example of the League as it functions today. I trust that the spectacle of political division on international questions exhibited by a nation not far distant from us, may be a sufficient object lesson to induce Canadians to resolve that, in so far as their international relationships are concerned, politics shall not be permitted to enter that domain. There are many internal issues upon which we can with more or less profit disagree, but in the front which we may present to the world, let there be no evidence of disunion.

The Treaty of Peace came into force on January 10, 1920. On that date, the League of Nations was officially born. Although plenipotentiaries of all the assembled powers signed the Treaty of Versailles, formal ratification and adhesion was deemed to be necessary. During the past five months 24 of the 32 original signatories have duly ratified the Treaty. The matter is still in doubt in respect of China, Equador and the Hedjas, although it seems probable that China by accepting the Austrian Treaty, will become a member of the League of Nations. Only 5 out of the 45 possible original members have definitely abstained from entering the League. These are: The United States, Cuba, Hayti, Honduras, Nicaragua. It would not be too much to assume that the abstention of the United States was responsible for similar action by the 4 smaller powers.

During the two months which followed the coming into force of the Treaty of Peace, I am free to confess there was considerable anxiety as to whether the invited States would join the League. These States had not participated in the war. They were, for the most part, but little weakened by the period of world unrest. They included a number of the most advanced peoples, where representative government had reached its highest development. It is a significant fact, and one which has brought great encouragement to the well-wishers of the League that within the sixty days, every invited State, after debate and full consideration, decided to enter the League of Nations. There were evidences in the letters of adhesion that not all of the invited States considered the Covenant as a perfect instrument, but no member entered the League with reservations, preferring rather as a member of the League to exert influence within that body for such amendments as might be deemed desirable.

[Sir Herbert Ames..]

Thus, the League of Nations already contains thirty-seven States. In addition, a number of new nations have applied for admission, and it seems probable that, at the next assembly, even some of the former enemy States may be taken in.

Already 37 Powers, with a total population of 850,000,000 people, have joined this League and there is little doubt that before another year has passed, that number will have grown to 45 or even 50. Never in the history of the world, has so large a number of independent nations joined together for common ends.

The Covenant, familiar to you all and often discussed in the House, is the Charter of the League of Nations. It sets forth, not only the objects to be attained, but it also advocates the means whereby these ends are to be secured. In the five months which have elapsed since the birth of the League, what progress has been made, what plans formulated, what machinery set in motion! To endeavour to answer these questions, is the purpose of such observations as I may be able to offer to this House.

The organs of the League of Nations are three in number,—The Assembly, or general gathering of members; the Council or Executive Committee of the League and the Secretariat of permanent international Civil Service. Let us see what has been done towards the development of these organs and the utilization of them in fulfilling the purposes which the League is intended to serve.

It was the original intention of the authors of the Peace Treaty that the first meeting of the Assembly should be held in Washington in November of 1919 and when I went over to take my place on the Secretariat nine months ago there was every expectation that this plan would be carried out. The abstention, however, of the United States made a Washington Assembly impossible, in fact, postponed the Assembly for a year, so that it will not take place until November, 1920, when it will be held at Brussels. Instead then of commencing its career by a meeting of the Assembly, the Council has first been brought into being as the authority of the League. This Council at present comprises eight members. Four represent the principal Allied Powers—Great Britain, France, Italy and Japan. There is a vacant chair at the table, which speaks volumes. Four other members of the Council represent the League at large; theoretically, the smaller states. At present, these seats are occupied

by representatives from Spain, Belgium, Greece and Brazil. When a special question, in which a state is interested, comes up for consideration, that state may have an ad hoc member. Thus, when measures for combating typhus were considered at the fourth meeting of the League, the Polish delegate sat at the table and participated in the deliberations.

Within the past five months, there have been 6 meetings of the Council of the League of Nations: 3 held at London, 2 at Paris and 1 in Rome. The members have not been idle and the record of work done is, I think, worthy of our consideration. Without going over the agenda of each successive meeting, I will try to deal with the results of the six meetings.

The subjects dealt with are divisible into three classes which may be thus described:—First, those in fulfilment of special tasks laid upon the League of Nations by the Treaty of Versailles and subsequent Treaties similar to it. Secondly, constructive measures having for their object the creation of permanent institutions designed to establish a basis for future international co-operation. Third, special duties of an emergent character, thrust upon the League in consequence of post war conditions. Of what has been done along these lines, I now propose to speak.

Specific Tasks.

In the drawing up of the Treaties of Peace and the re-arrangement of the map of Europe, there were certain geographical areas, certain ethnological units, left in suspense. Where possession of these areas was in dispute between former enemies, to have assigned them to the care of either of the disputants would have been to have left a continiung incentive for war. It was therefore decided that the care should be given to a third party and that third party is the League of Nations. Take for example, the case of the Saar Basin. It lies between France and Germany, with a population of 700,000 people engaged mainly in the production of coal. France, whose coal areas.....had been devastated during the German occupation, demanded control of this supply, which was absolutely necessary for her industrial rebuilding. But to have placed 700,000 Germans under the control of France would have been to have invited a war of revenge. On the other hand, to have left the coal area under the control of Germany, would have rendered the French supply of this necessity most precarious and to have threatened French industrial life with extinction. It was necessary, therefore, to operate the area with justice to both contending parties. The League of Nations Council at its first meeting set up a Commission to administer the Saar Basin, in accordance with the terms laid down in the Treaty. This Commission has for Canadians a peculiar interest in that one of the most active and successful members of the Commission is the well known ex-mayor of Winnipeg, Mr. R. D. Waugh.

I might give the House many interesting facts regarding Mr. Waugh's successful administration. Within the short period since his appointment, he has not only demonstrated his fitness for this important post but has brought credit upon Canada and Canadians.

Another example of a specific task enjoined by the Treaty is the governance of the free city of Dantzic. Here again, a difficult problem faced the makers of peace. Access to the Baltic Sea is a necessity to Poland, in order to engage in foreign trade, but this access could only be secured by detaching a port, formerly German, and making it available for Polish commerce. To have given Dantzic to Poland, or to have left Dantzic in the control of Germany, would have precipitated another war. Dantzic has, therefore, been placed under the authority of the League of Nations. The Council has appointed Sir Reginald Tower, a British administrator who distinguished himself in South America as High Commissioner, with instructions to draw up a constitution, to hold popular elections, and in the capacity of administrator and arbiter to establish settled conditions of government, on terms that will be just to all. This he is doing under the guarantee of the League of Nations. The free city of Dantzic will make treaties with Germany and with Poland, and the League of Nations will see to it that fair play is given to all concerned.

Other treaties will doubtless create similar areas, the responsibility for which the League of Nations, as the only impartial body in the world, will be called upon to assume. These then are the specific tasks laid down in the Treaties, the most urgent of which have been already successfully accomplished.

Constructive Measures.

The League of Nations Council has taken a number of decisions, looking towards

the erection of permanent institutions designed to establish a basis for future international co-operation. Laying foundations is slow and laborious work but if the world is in fututre to avoid war, organizations must be created to remove the causes of possible friction. The League is not a superstate but an association of free nations. It is an instrument of co-operation. It does not impose its views upon unwilling members but it composes different views into a common agreement.

How is this done? An illustration may perhaps make it plain. As an undisputed axiom, we admit that "No nation lives to itself alone." Unhealthful conditions, for example, in one country, cannot fail to endanger all other countries. You cannot have cholera in Greece without danger of cholera in New York. It is the business of us all that each nation maintain healthful conditions. It is desirable, therefore, that effective health laws be as nearly universal as possible and that united action in emergencies be readily secured. This, therefore, is one of the subjects with which the League of Nations may legitimately deal, let me repeat not as a superstate but as a means of co-operation. Here is the "modus operandi" generally followed.

A small international expert committee is first created in liaison with the Secretariat of the League of Nations. This committee prepares a plan. A larger international conference of experts is next apppointed to consider and probably amend this plan. It is then reported to and approved by the Council of the League. The next step is to draft a convention or model Act and distribute this among the members of the League, with a request that each State put through legislation as nearly as possible along the lines indicated. The Secretariat of the League watches legislation and reports thereon through the medium of its health section. The States which finally ratify this convention are bound by it and while you have no international parliament, yet after a score of nations have passed the same Act, the result is not different from what it would be had one parliament the power to impose a single Act upon all. Thus, there is no coercion, no imposing of views. Each nation has a consultive part in the making of the draft Act. No nation is bound to accept it even after it has been prepared, but it is hoped that an Act thus prepared will be so reasonable and so elastic that it can secure general support. Similar action on the part of many becomes united action on the part of all.

[Sir Herbert Ames..]

COURT OF INTERNATIONAL JUSTICE

Bearing in mind then that this is the usual modus operandi, what has the Council of the League accomplished by way of constructive measures during the past five months? First, it has taken the preliminary steps for the setting up of a permanent Court of International Justice. If the world in certain of its activities, is hereafter to be governed by a code of international agreement if treaties are to be observed, if conventions concurrently ratified are to be lived up to, there must be an accepted tribunal to interpret international law and to decide in cases of dispute. Almost the first step taken by the Council of the League of Nations was towards the establishment of the permanent Court of International Justice. It is no quick or easy task. Immense issues are involved. Every nation and member of the League is likely to be called upon to plead before that court. All are interested in its constitution and anxious that it operate with absolute justice. It is realized that if the court becomes what is hoped, for a state to decline to accept its rulings will be to place itself in opposition to the public opinion of the world.

While only the assembly can give to any plan final approval, the council is charged with the task of working out the scheme. This work is already in hand. Ten eminent jurists have been selected and have agreed to serve. Among them is Lord Phillimore of England and Mr. Root of America. They are already in session at The Hague and are expected within two months to finish their report, which in due time through the council will reach the assembly. It is hoped that the beginning of 1921 will see the International High Court of Justice fully constituted and in operation.

International Financial Conference.

The present financial situation of Europe is exceedingly grave. Disaster to some of the war exhausted nations is certain unless by the help of others they can come through the next few years. At the second meeting of the Council of the League, this question was squarely faced. What no individual nation could do without being suspected of interested motives, the League of Nations in the name of all is able to undertake. It has called a conference to discuss the situation from the international point of view, to consider the remedies that may be applied and to make a report to council for action. The invitations went out in April. The twenty-five principal nations have been in-

vited to send their delegates. Mr. Ador, former President of the Swiss Republic has consented to act as president. The date of the meeting has been several times postponed and is even yet not definitely fixed. The reason is that the first step towards the final rehabilitation of Europe must be a definite understanding as to the extent of Germany's obligations under the reparation clauses of the Treaty.

The first item on agenda for the international convention conference is a report on reparations and war debts, then will follow an inventory of resources and a discussion on the conditions upon which loans may be made. It is hoped that the limited loanable resources of the world can be conserved and utilized for the assistance of such nations only as are willing to help themselves. When this conference is over, doubtless there will grow out of it a Permanent Economic Commission, which will hereafter advise the Council of the League of Nations on questions of this character and obviate the necessity, should future crises arise, of the assembling so large a convention as this is designed to be.

### Permanent Transit Commission.

Another matter that has given rise to much discussion is that of transit. At first sight it might appear that this is eminently a European question. In its aggravated aspects it certainly seems so at present. It is a question not unfamiliar to Canadians for we share with the United States water transit privileges on our St. Lawrence river and the Great Lakes and our experience with the use of those facilities may render our advice of advantage to others.

Our condition, however, is simplicity indeed compared with that of modern Europe. With the central empires broken up into a number of states, each more or less jealous of the other, each trying by conserving its own resources and by taxing foreigners to get back to a solvent basis, there is great danger that freedom of transport will be curtailed. Europe is traversed by transcontinental railways, but instead of, as with us, running from ocean to ocean within the boundaries of one jurisdiction, a traveller from Paris to Constantinople, or freight shipped from Rome to Berlin, would have to traverse the territories of several governments. This is even more true with respect to the rivers of Europe, which rise in the central mountains and seek the sea in four different directions. The Swiss who desire to bring freight from salt water must deal with three governments; Germans who wish to send a cargo from the sources of the Rhine to the Black Sea must deal with five States. It is evident that each country traversed thinks only of itself and the difficulties affecting transport are innumerable. Discrimination leads to retaliation, retaliation to friction, and friction to war, and if European nations are to dwell at peace, some means must be devised to remove this contentious subject from political discussion. This then is one of the problems to which the Council of the League of Nations is addressing itself. It is endeavouring to set up a central authority, a court of review, whereby a fair exchange of facilities for the benefit of all may displace discrimination and retaliation. A conference of the interested nations is to be held in Spain in December. Already steps are being taken to prepare for that conference, also a draft of an agreement is being drawn. The League is setting up a permanent Board of experts to advise Council on all transit matters. At the present moment we are in touch with a Canadian railway man whose services we may decide to secure as a member of the expert Commission. If irritation, as between nations over transport problems, can be removed and mutual co-operation facilitated, much will have been accomplished towards the establishment of permanent peace.

### Armaments.

Now, as to the much-discussed question or armaments. If wars are to cease, competition in armaments must come to an end. One of the most important functions of the League is to bring this about. Human nature being as it is, nations that for generations have been armed to the teeth will not willingly divest themselves of their means of self-defence unless assured by some impartial authority that their neighbours will do likewise. The disarmament of Europe, beginning first with the Central Powers, must proceed gradually and proportionately, but the result, we believe, can be attained by perseverance.

Already the League Council has commenced work along this line. At our meeting in Rome there were present by request a number of military, naval and air experts from many lands. It was decided to appoint a permanent advisory committee composed of twenty-seven members whose duty it should be to assemble facts and prepare statements for future consideration. The general question of disarmament will not come up at the first assembly of the League, as the time is not sufficient for the

matter to receive the previous study which it will require, but the Permanent Advisory Committee will soon be at work. Already several tasks have been assigned to it for immediate performance. It will be asked to consider the fixation of armaments that shall be allowed for each state seeking admission to the League. They begin with those who seek admission to the League by insisting that their armaments shall be reduced to the minimum. It has also been requested to work out a plan for registration and control over the exportation of arms to backward countries. Probably when the second meeting of the Assembly is held in 1921, the question of disarmament will be the principal subject that will be considered.

Mandates and Minorities.

On the conclusion of former wars, the unchallenged dictum has been that to the victor belong the spoils. The conquered provinces have been divided solely that they might be the better exploited for the benefit of the new masters under whose dominion they fell. But the Treaty of Versailles has ushered in a new principle. It is that strong nations should be asked to administer backward areas, detached from former combinations, as a trust for the benefit of the governed until such time as the new countries become capable of self government. It is to General Smuts that the credit for this idea is usually given. Among other instances it is to be worked out in the former German possessions in Africa.

The various peace treaties designate certain nations as mandatories of governed areas. Now a mandate is a written instrument emanating from the League of Nations and it lays down duties and obligations which the mandatory must accept. The League cannot itself accept a mandate. It is, however, the referee, the guarantor of their observance. Once a year each mandatory must make report to the League of Nations. The League is setting up a permanent section of experts that will examine these reports and transmit to the Council their views regarding the conduct of each mandatory. This organization is well under way but the sudden death of an eminent American, selected to be head of this section, has delayed progress. By the time, however, that the mandates are accepted the machinery for examining and reporting upon their operations will be ready.

I need not describe what is being done to create a Permanent International Health Commission, for this has already been dealt with. Similar measures are being taken in respect to white slave traffic, the opium traffic and other evils mentioned in the Covenant.

Registration of Treaties.

In so far as the League of Nations can make it so, the era of secret diplomacy has passed. Treaties made between kings or between governments without the knowledge of the governed, have been in the past fruitful causes of war. The League stands for open diplomacy. Every Treaty henceforth made by any member of the League must be registered with the League. If unregistered, the Treaty is not binding. When presented for registration, the Treaty is subject to examination by the experts of the League. If found to contain provisions contrary to the spirit or letter of the Covenant, the Treaty must be revised. If the nation refuses to revise its Treaty, it is expelled from the League by that very act.

The Council of the League of Nations has already sanctioned the steps necessary for the setting up of a department for the registration of Treaties. If I am rightly informed, the head of that department will be a Uruguayan.

As a record, then, of accomplishment in the brief period that has elapsed since the coming into force of the Treaty, let me enumerate the constructive agencies that have been brought into being:

1. International Health Organization.
2. Permanent Court of International Justice.
3. International Financial Conference and Commission.
4. Permanent Transit Commission.
5. Advisory Committee on Military, Naval, and Air Questions.
6. The Mandatory and Minority Section.
7. A Department for the Registration of Treaties.

This certainly is not an unsatisfactory record.

While it is not really a part of the League of Nations, the International Labour Office, which was constituted when the Treaty of Versailles came into being, and in the drafting of the provisions concerning which our own Prime Minister (Sir Robert Borden) had no inconsiderable part, was really the first to get upon its feet and to get off to a good start. It is well established and is, I understand, taking up its permanent home this month in Geneva, where it has acquired a property and from which it will be able to function, greatly, I think, for the benefit of the world. There has been some criticism with regard to the advis-

ability of establishing an International Labour Office, but I think we must admit that the improvement of the conditions under which workingmen carry on their life work is a laudable and praiseworthy object. Hitherto one of the greatest obstacles in attaining that end has been the fact that while the more advanced countries have been willing to adopt the progressive legislation, the more backward countries would not do so; therefore the more progressive a nation was the more it was submitted to the competition of nations that would not observe such laws. When, therefore, it is possible to unite the peoples of the world in a common agreement bringing the backward nations up to the level of the more progressive, we are able to feel that the labouring people of any country will be well treated without thereby submitting that country to ruinous competition from other parts of the world.

Emergent Measures.

I want to speak a few of the emergent measures for which the League has been responsible, because, although I think it will be admitted that the list I have given is already formidable, it does not by any means cover all that the League has accomplished in the five years that have passed since it came into official being. Already emergencies have arisen calling for co-operation, in order that by united effort disaster may be warded off and suffering alleviated. Of such a nature is the proposed action to meet the typhus epidemic now spreading in Central Europe. With the Western-bound bands of wretched prisoners, ragged, emaciated, and covered with vermin, released from detention camps in Siberia and Russia, there is being introduced into Central Europe, typhus, cholera, and bubonic plague. The newly-formed nations in financial straits suffering from lack of supplies and medicine can make no adequate stand against this invasion. If Central Europe is to be saved from an awful calamity, from the decimation of its population, the paralyzing of its trade and the necessary quarantining of large masses of people, the progress of this epidemic must be stopped soon. Poland, Roumania, Youga-Slavia and other newly-born nations are unable, individually, to with-stand the flood. United action is called for. At the March meeting of the League of Nations, delegates from Poland brought to the attention of the Council these terrible facts. Shortly afterwards there was to meet in London, a convention of health experts. The Council of the League specially requested these experts to examine the Polish situation and to listen to what the Polish delegates had to say. This, the Convention did, and reported to the Council on the imminense of the danger, and the measures necessary to check the plague. Now, the League of Nations, as at present constituted, has not the power to raise money by assessment in excess of the regular expenses of the Secretariat. It was estimated that to fight the typhus plague, from two to three million pounds sterling would be required. The Council authorized the setting up of a skeleton organization and named Colonel Kenyon Vaughan Morgan, Chief Commissioner and Doctor Norman White, Medical Commissioner, the former to supervise the purchase and shipment of necessary supplies, and the latter to organize the medical, nursing and quarantine staff, in order that it might be possible to draw a sanitary cordon across eastern Europe from the Baltic to the Black Sea, and fight the typhus plague along the line. The nations belonging to the League will be asked in the name of humanity to subscribe the funds necessary to protect Central Europe and the world from this great danger. It is hoped that Canada's response will be generous. Surely no task assumed by the League is more important than the organization of an inter-national sanitary corps preparing to combat contagious diseases where they arise and thus protect the world from the plagues that have ravaged it in previous centuries.

Another emergency question that has exercised the Council of the League was in respect to war prisoners left stranded in far distant Siberia. It is estimated that originally there were no less than 250,000 of these unfortunates left in prison camps several thousand miles distant from the lands in which they had enlisted. England and the United States by joint effort are bringing back about 72,000 of these men, mostly Czecho-Slavs. and Roumanians, allies, as hon. members will see; but the great mass of these unfortunate prisoners are in Western Siberia; they are Austrians, Hungarians, Germans, Poles, Jugo-Slavs, and others. I need only to mention those names to show the House at a glance how impossible it would be to have united action on the part of those peoples. The nations to which they belong cannot, unaided, raise the money to bring them home. Only a united effort, backed by the guarantee of solvent states, will enable those nations to raise loans by

which their unfortunate nationals can be returned. Here is where the League of Nations comes in. The council selected Dr. Fridtjof Nansen, the well known Norwegian explorer, whose reputation as an organizer stands high in Europe, and whose knowledge of Siberian conditions is surpassed by none, to take up this work backed by the League. He is at present passing from point to point in Europe, securing from all available sources a knowledge of the facts. He is consulting with all remedial agencies at present engaged in this cause. On the completion of his report, which should be laid before the next meeting of the Council, it is expected that an arrangement can be made to guarantee funds whereby transportation and necessities can be provided to bring to their homes those who have survived the awful ordeal of the last three years. Here again we have an example of united effort being able to do what individual effort could not accomplish. The nations interested could not unaided bring back their own men. They could not disentangle them if they were able to bring them back. But the united effort of the League, which will guarantee to the nations concerned all the necessary funds, which in time will probably be paid back by the nations interested, will, by joint action, bring back these unfortunate men.

The condition of Russia is a constant menace to peace. It is most difficult to secure reliable information as to the present Government and its operations. Reports are most conflicting. They lead to doubt and disagreement in regard to policies on the part of the various nations that receive them. It has been felt to be absolutely necessary that an impartial enquete be held and that the true facts regarding Russia be laid before the Council of the League To this end, preparations have been made to send an international commission of inquiry to visit Russia. Permission is asked from the Soviet Government for freedom to go and return for the right to move freely and make untrammelled inquiry, and for the guarantee for immunity for the witnesses that might be examined. As yet, however, no satisfactory reply has been received. The commission has been chosen and is ready to proceed. The responsibility for refusing to admit it will fall upon the Soviets. If they are unprepared to submit to impartial investigation, it must be that their operations will not stand the light of inquiry. If, however, the investigation takes place, out of it may come united action on the part of the nations and the pacification of Russia may follow.

The League Council has at several of its meetings given careful consideration to the Armenian question. That sympathy for these unfortunate people is universal, no one denies. The League, however, cannot, itself, accept a mandate, as it has neither funds nor army to enforce its decisions. A mandate was offered to America. It is deeply to be regretted that this offer was not accepted. In the end, it seems not improbable that upon the League will fall the task of finding a mandatory for Armenia and securing international guarantees that will render the responsibilities not too great for a single State to assume.

Since I left London, the Council has held a special meeting to deal with a request of Persia for assistance to resist a Russian invasion. Persia is a member of the League. She is entitled to and will receive the necessary support. These are the questions that hav occupied the attention of the Council at the six meetings that have been held during the past five months. The first budget of expenditure has been ratified and approved. The selections made by the secretary general in connection with the Secretariat have been agreed to, subject to the ultimate approval of the Assembly. Rules of procedure under which the Council shall carry on its business have been drawn up and are in force. Thus it will be seen that foundations wide and deep have been truly laid for the erection of an organization for the maintenance of world-wide peace. One has only to read the history of the previous Leagues to see that they failed mainly because no provision was made for a permanent working organization. This lesson has been truly learned. The League will not undertake tasks that it cannot perform. It is building up an organization, however, that will be capable of assuming heavy responsibilities.

As financial director, it has been my duty to be present at several meetings of the Council, both in public and private sessions. Perhaps it may interest the House to have some idea of the impression that the work of these meetings has made upon me. I am convinced that these men who attend as representatives of their countries the meetings of the Council of the League, men of reputation and experience and of exalted standing in their several countries, are sincere. I do not think that they would waste their time in making

long journeys and attending sessions sometimes lasting a week or ten days, if they did not feel that their work was worth while, and that there would be some ultimate results attained. The Governments which send them also seriously regard the Council of the League of Nations. Whenever a meeting is held in a national capital it is staged under the most dignified conditions, and every courtesy and facility is afforded for carrying on its deliberations The meetings are necessarily both public and private. At the public meetings the resolutions are presented and passed. No vote is ever taken except at public meetings. The "rapporteur" who presents the resolution supports it by a carefully prepared statement, and this is given to the press for circulation. The private meetings are more informal. At them there is a frank expression of views, a clear appreciation of conditions. Article 5 of the Covenant requires that a unanimous decision shall be arrived at by the Council on all questions, save where in the Covenant a majority is specifically stated to be sufficient. I have been greatly struck by the fact that although six meetings have been held and a score of important questions dealt with, every decision has been unanimous. An agreement is not always arrived at when the question is first presented. Divergent views frequently develop. They are received and weighed with the utmost consideration. Every effort is made to arrive at a decision that all can accept. I have seen the same resolution come up at meeting after meeting and be repeatedly modified until finally acceptable to all.

"The will to agree" is the spirit of the Council of the League. Had the United States been a member of this Council she would have found that no decision has been arrived at since the League came into being that her representative would not have concurred in.

On my return I expect to attend the seventh meeting of the Council, which will be held at St. Sebastiano, in Spain, towards the end of July. The principle business at that meeting will be the drawing up of the agenda for the consideration of the first Assembly.

The first Assembly of the League of Nations is to be held in Brussels in November, 1920. It will be the most important gathering in the history of modern times. At least 36 States will be represented. With the admissions that will probably be agreed to, this number will be brought up to 40 or more. The position attained by Canada in the League of Nations marks a long step forward in our constitutional development. In the Assembly Canada is on equality with the other States. She is eligible for a seat on the Council, although, in view of the fact that the representative of the British Empire will always have a seat in that body, it is not likely that Canada's claim would be pressed. She has the right, however, of voting for the election of one half of the Council. Her voice will help to determine the composition of one half its membership. Further, Canada has the right of direct access to the Council on any question specially affecting our interests. Our representatives may state their case at the fountain head. Still further, we have the right of ad hoc participation and voting in the Council. Any question intimately affecting Canadian interests will not be dealt with by the Council unless the Canadian representatives are seated at the Council Board. In view, then, of Canada's position as a full member of the League of Nations it is important that her deputation at the Assembly should include her foremost statesmen. I understand that the Prime Minister in this House some time ago gave the assurance that when the Constitutional Conference was held, perhaps a year from now, the several parties in this House would be invited to participate. May I respectfully submit that the conditions which concern participation in the Assembly of the League of Nations do not materially differ from those to which he referred, and that if his proposal is good in the first instance, it may be equaly sound in the second. Furthermore, it is extremely important that before the Assembly meets, the representatives of the various parts of the British Empire should hold converse together and mutually study the question which will come up.

We can already foresee some of the subjects that the Assembly will have to consider. They will deal with the admission of new States. A number of the smaller friendly nations have already asked to be admitted. It is possible that some of the former enemy States may be considered ready to be associated with the League in its work. The coming Assembly will elect half the Council for the coming year. It will probably also consider some suggested amendments to the covenant, for it is admitted that this is not a perfect instrument and as time goes on and new conditions arise it may, by the consent of all, be

altered to meet the change. One question of special interest to us will be decided and that is the place of meeting for the second great Assembly.

The covenant provided that the first meeting of the Assembly should be held in Washington. For reasons well know this could not be brought about. The first meeting will be held in Europe, but why should not the second meeting be held on the North American continent, and if held in the Western hemisphere what better place than Ottawa to give it welcome? This magnificent new building with its beautiful Parliamentary chamber would be a fitting place for the deliberations of the associated statesemen of the world. Within these ample walls we could accommodate in the numerous rooms all the delegates that could visit us. We could give them an English-French Hansard, English-French attendants, a French-English press, and could place at their disposal facilities unequalled in any part of the world. If it is the desire of this Parliament, as representing the people of Canada, that an invitation should be extended to the League of Nations to visit Ottawa, might I suggest that the deputation that represents Canada next November should be the bearer of this message.

I have not the time to speak at length regarding the Secretariat of the League of Nations. It is an international Civil Service drawn from public and private sources throughout the whole world. It is the hands, the eyes, and feet of the League of Nations. Its duty is to collect, to digest, to distribute, to prepare information of every kind to carry into effect decisions of the Assembly in Council. My own position is that of Financial Director. My duties include the preparation of the burget, its presentation to the Council, its explanation to the various contributory Governments, the allocating of the contributions, and all matters which relate to internal financial administration. I am prepared to give to this House all details they may desire upon these matters, for Canada is a full and willing participant in the work of the League, and the message I would bring to this Parliament is that her action is appreciated and that no request for information from the people of Canada will be treated with disrespect.

In closing, may I point out to this House the greatness of Canada's opportunity. Her position is unique. The abstention of the United States, needles to say, was a great disappointment to the framers of the League, but it has turned their eyes to Canada and the other overseas Dominions in greater measure than could otherwise have been the case. Not with hampering reservations, indicative of distrust striking at the very root of the spirit of mutual confidence in which alone can a League of Nations successfully operate did Canada enter the League. She accepted the pact in its fullness, believing that the interpretation of the obligations involved would be reasonable, willing to trust and be trusted. True Canada has little by way of material gain to be secured from her participation in the League. We did not enter the war for plunder or aggrandizement. We did not enter the League of Nations for what we could get out of it. For years to come Canada's rôle will be that of helper. We joined the League for what we could give, not for what we could get. What future demands then may we expect made upon us? We shall be asked annually to pay our share of the operating expenses of Secretariat. For this we should ask no praise. It is but the redemption of a promise we have made. Further we may be asked more than once to write Canada on Europe's subscrpition list.

As individuals, we help the sick, the orphaned, the poor in generous measures. There are sick nations in the world to-day, orphaned peoples, and starving States. The Canadian people may be asked to show collectively the same generous characteristics that Canadians as individuals have always evidenced. Again we shall be asked to give counsel in the Assembly of Nations, in the conferences, in the committees, and we should send of our wisest and best so that Canadian statescraft will be respected and Canadian statesmen esteemed. We shall be asked for administrators, men who in our free open land have developed qualities of action and of heart that will make them fit to assume difficult tasks of world reconstruction. Already we have given several men of this character and more will be called for.

To Canada there will be no immediate return for these services. For the time being we must be content with the approval of conscience and with the esteem of the world. The day will come when those who in their hour of distress have looked to Canada for help and have not looked in vain, will pour back into our bosoms a hundredfold of that we are now giving them. Canada made no mistake in entering the League of Nations.

While I thank you, Mr. Speaker, and members of this House, of doing me the

honour of listening so courteously to what I have said, I am free to say that I believe the League of Nations has come to stay and that we shall have our reward if we trust to it. If members of this House are desirous of asking further questions, suggested by anything I may have said or anything that may have suggested itself to them may I assure them, as I have already done during the course of my speech, that it will only be a pleasure, in so far as I am able, to meet their inquiries.

Hon. H. S. BELAND: Mr. Speaker, I only avail myself of the opportunity so kindly afforded to members of this House to put any questions that they may wish to ask. The hon. member (Sir Herbert Ames) has referred in his statement to three treaties betwen two of the great nations belonging to the League. Are all three treaties, regardless of their nature, commercial, or are any of them purely political?

Mr. SPEAKER: It might be to the advantage of hon. members if the House should resolve itself into committee which would give a more ample opportunity for the hon. member for St. Antoine (Sir Herbert Ames) to reply. I merely make the suggestion in case there may be a series of questions asked.

Hon. Mr. BELAND: I have only two or three questions which I think will require short answers.

Hon. Mr. ROWELL (President of the Privy Council): If no hon. member wishes to speak generally on the League I think the Speaker's suggestion is a good one that we should go into committee. We are going into Committee on External Affairs and then any question any hon. member desires to ask can be asked. I do not know whether any hon. member wishes to address the House before we go into committee.

Hon. M. BELAND: Will the hon. member for St. Antoine be prepared to answer any questions when we are in committee?

Sir HERBERT AMES: Yes, in so far as I am able.

Hon. W. L. MACKENZIE KING (leader of the Opposition): Before the House goes into committee I would like to avail myself of the opportunity of expressing our thanks to the hon. member for St. Antoine (Sir Herbert Ames) for the very interesting, illuminating and comprehensive address to which we have just listened. It has indeed been inspiring to hear from the lips of one who has been in the midst of affairs in Europe the strong conviction which my hon. friend has voiced that the League of Nations is undoubtedly going to be the success which its promoters had hoped it might be. This word, coming at this time in the world's affairs, is extremely encouraging as we look forward into the future. Certainly, the hon. gentleman has given us this evening a striking contrast between two entirely different attitudes of mind in dealing with the great problems with which the world is confronted. He has spoken of the League as being guided by reason and a spirit of co-operation as contrasted with that other attitude which relies upon force in the management of the relations betwen men and between nations. He has emphasized the fact that through cooperation, rather than coercion, progress will be made in the affairs of the world. I believe that all the members of this House share the hope, and certainly most of us the belief, that it is to cooperation and enlightenment we must look for advance rather than to a perpetuation of the old system—let us call it the mediaeval system —of reliance upon Force in the affairs of nations and of men. He has pointed out that already in the very brief space of five months a constructive programme has been entered upon—a programme that from an international point of view deals with such vital questions as health, justice, labour, finance, transportation, and other of those vast interests which the different nations have in common. Certainly if this programme is to be worked out, it will only be through an attitude of good will among nations toward each other; and anything that this Parliament, or the members of it, can do to promote an expression of good will is certainly likely to be for the good of all of us.

I shall not say more than a word at the moment of the suggestion which the hon. member has made that Canada should invite the League of Nations to hold its next annual gathering in this country. There is perhaps something to be said for a certain perspective that it is wise to maintain in these international affairs; if there is a note of criticism I would offer at this moment, it would be that the remarks of my hon. friend suggest just a slight danger of our taking ourselves a bit too seriously in this new family of nations and that some of the older nations—nations that have played a part in the affairs of the world much longer than we have been privileged to do—may feel that the extending of any such invitation should be made by them in the

first instance. I say that just because I think it is well, as a young country, that —notwithstanding the noble exploits of our men in the war, and the place we hold in the world in many directions—we should maintain if possible that calmer outlook of endeavouring to see ourselves as others see us, as well as endeavouring to display the hospitality and cordiality which the people of this country are noted for.

I should add Mr. Speaker: that no one could have listened to the address of my hon. friend this evening without being impressed with the changed relations which have come about since the war, and which afford to every country a wider horizon and a larger outlook in regard to matters which are of common concern to mankind. It is, I think, a hopeful sign to find the interest in world affairs which has been exhibited in this Parliament to-night. Canada has much to gain and nothing to lose, in having a wider vision, in feeling herself a part of the great family of nations, and in sharing a knowledge and responsibility in regard to all questions that are of common human concern. The hon. member has well illustrated wherein today we are recognizing the dawn of a new era. He has given us glimpses of this larger horizon; and if I might make any suggestion to him it would be that in the few days he will be with us before his return he seek to impress upon fellow members on his side of the House, just as strongly as he can, the belief he has expressed so emphatically this evening, namely, that the League of Nations is a factor to be reckoned with, a factor to be counted upon, and that in regard to military and naval expenditures at this particular time we may do well, perhaps, to follow the advice which the Supreme Council has given of endeavouring as far as possible to give our first thought to productive activities, and to limit as much as possible for the time being, unnecessary extravagances and expenditure.

Hon. NEWTON W. ROWELL (President of the Privy Council): Before you leave the Chair, Mr. Speaker, I desire—on behalf of my colleagues and hon. members on this side of the House, just as the leader of the Opposition has already done for his side—to express our appreciation of the very clear, comprehensive and intensely interesting statement that the hon. member (Sir Herbert Ames) has just made to us. While we have on a number of occasions in this House discussed the plans and the work of the League of Nations, this evening we have had the opportunity of seeing the League at work. The hon. member has presented to us such a vivid picture of the actual work being carried on, that I am sure every hon. member of the House will go away with a much clearer realization of the important and vital place which the League of Nations holds in the world's life, and of the great possibilities which lie in the League for the promotion of human welfare throughout the world. When some months ago I learned from the hon. member that it might be possible for him to return to Canada before the House rose, it was arranged by correspondence with him that he should have the opportunity, or rather that the House should have the privilege, of hearing him make a statement on this matter; and I am sure that not only is the House indebted to him, but the people of the country also, for I doubt if in any assembly there has yet been made as clear and comprehensive a statement of the work of the League as that with which we have been favoured this evening. The hon. member has made some very interesting suggestions touching matters of policy. I have no doubt those will receive the serious consideration of the Government that such suggestions deserve.

The leader of the Opposition has been good enough to suggest that the hon. member should endeavour to inculcate in the minds of the members on this side an appreciation of the value of the League of Nations. Hardly a year has passed since this question was first discussed in the House and hon. gentlemen opposite then made light of the whole business. I am glad that in the course of the year they at least have been converted to the importance of the League of Nations; and the appreciation which hon. members on this side have always entertained of that League, and of the place of Canada in it, will I am sure be greatly enhanced by the most illuminating address to which we have listened this evening.

Motion agreed to, and the House went into committee, Mr. Boivin in the Chair.

Mr. ROWELL: For the purpose of giving hon. members the opportunity of asking questions—as the hon. member for Beauce (Mr. Béland) intimated his desire to do—I would ask the Chairman to call Item 27, Civil Government, External Affairs.

Department of External Affairs—salaries, $55,705; contingencies, $56,000.

Mr. BELAND: Article 18 of the League of Nations provides:

Tout traité ou engagement international conclu à l'avenir par un membre de la société devra être immédiatement enregistré par le Secrétariat et publié par lui aussitôt qu possible. Aucun de ces traités ou engagements internationaux ne sera obligatoire avant d'avoir été enregistré.

Do commercial treaties as well as purely political treaties come under this article?

Sir HERBERT AMES: I am afraid that in this instance I can only quote what the hon. member has already quoted. As we understand it, every treaty entered into after the signing of the pact by any member of the League with a non-member, or by members of the League with each other, must be registered with a department that is part of the Secretariat of the League. That department examines the Treaty, and if it contains anything contrary to the spirit or the letter of the Covenant, the treaty is not accepted and the nation is asked to revise it. It is hoped and expected that in that way open diplomacy will be encouraged, and that no engagement will be made that might involve nations in war in support of one another. The department has only just been set up. As I understand it, every nation is bound to register its treaty, and any nation that refused would by that very act render itself no longer a member of the League.

Mr. BELAND: I understand, then, that all treaties are to be subject to the approval of the Assembly of the Council of the League?

Sir HERBERT AMES: All treaties.

Mr. BELAND: The hon. member referred to the public and private sittings of the Council during the last five months. I did not quite understand in what particulars the two kinds of sittings differed. Will the hon. gentleman give us some information regarding the difference?

Sir HERBERT AMES: The sessions of the Council of the League of Nations usually take place about a month apart. From four to eight days are devoted to a session. Generally they sit perhaps one or two days in secret session, and then they hold a public session. The votes are always taken at a public session. At this session the rapporteur presents the resolution that has been agreed upon and makes a statement in support of it. Usually the public sessions are social functions, there being generally present several ambassadors and a certain number of the public—in fact, any one who desires to be present can attend so far as the limited space will allow. Generally fifty or sixty newspaper men are present to report all the details that are given. The private meetings are of a more or less informal character, and they are considered to be absolutely necessary in order that there may be the utmost freedom of discussion among the representatives. I have been able to attend several private meetings when I presented my budget, or where there has been discussion on some matter that required financing, and I have been struck, as I said in my speech, with the determination to always arrive at a unanimous agreement. I have seen a question brought up that developed a very considerable difference of opinion, I have seen it discussed for an hour and then withdrawn, the Chairman saying, "Gentlemen, you have had an opportunity of hearing all the different points of view. We will take this question up again the day after tomorrow." When the question came up again it would be considerably amended, and in its amended form it would show evidence of an attempt to meet the different points of view. Perhaps that question would come up at three or four successive meetings until finally it was presented in such shape that it would be passed unanimously, and then action would follow.

Mr. MORPHY: Is there a time limit within which treaties secretly made must be registered?

Sir HERBERT AMES: As I understand it, no treaty is valid until it is registered; that is, no nation which is a member of the League is bound to observe the treaty.

Mr. MORPHY: If a nation on failure to register a treaty is thereby ipso facto outside the League, it seems to me that that is an easy way to dissolve the League.

Sir HERBERT AMES: The nation that has refused to do what it contracted to do would be expected to withdraw from the League.

Mr. MORPHY: If secret treaties were entered into by powerful nations, and those nations refused to register the treaties, on discovery of their failure to so register the League is dissolved.

Mr. ROWELL: That would not dissolve the League of Nations.

Mr. MORPHY: If the Great Powers went out of the League where would you get the force to keep it alive.

Mr. ROWELL: The nation that violated the provisions of the Covenant would be expelled from the League, but it does not cease to be a member by simply failing to comply with the terms of the League.

Mr. MORPHY: After expulsion?

Mr. ROWELL: The League would have to take action to expel any offending members.

Mr. MORPHY: And after expulsion they are no longer members?

Mr. ROWELL: Yes.

Mr. MORPHY: Therefore if the Great Nations withdrew the League would be dissolved?

Mr. ROWELL: Yes.

Mr. MORPHY: That is the point.

Mr. BELAND: My hon. friend referred to the unanimity which always prevailed at the meetings which he attended, and which is bound to prevail in all the decisions reached by the Council of Nine. I also understood him to say that if the representative of Canada were invited to sit at the Council of Nine, not as one of the Nine, he would have the right to express an opinion and to register a vote on a decision. Some doubt has been expressed in this House on more than one occasion whether the member of the Assembly of the League of Nations who is invited to sit in the Council of Nine has the right to vote when a question affecting his country is under consideration.

Sir HERBERT AMES: As I understand it, if it was a question in which Canada was vitally interested, and Canada was invited to have her representatives sit at the table for the discussion of the question, Canada's vote cast against the decision would prevent its ratification. A short time ago we had a discussion relating to Poland. The Polish delegates were invited to sit at the Council table. As I understand it, if a decision had been arrived at to which the Polish delegates objected, that decision would not have been persisted in.

Mr. BELAND: We will take it for granted that what the hon. member states is correct. His opinion is of weight in the matter, though no clause in the covenant justifies the categorical expression of that opinion. The hon. member has referred also the action taken with regard to the Saar Basin. He did not, however, find it opportune this evening to tell the House what particular arrangement had been made with regard to the Saar Basin.

Sir HERBERT AMES: I am not sure that I understand the hon. member's question. If he wants to know what position the Canadian member of the Council occupies and what work he has been especially identified with——

Mr. BELAND: Not at all; I know that very well. What decision has been reached regarding the future of the Saar Basin and the population in that district?

Sir HERBERT AMES: No decision on that matter has as yet been arrived at. The understanding is that for fifteen years the Saar Basin will be governed by the League of Nations, presumably through the Commission which is at present operating. At the end of the fifteen years a decision will be reached whether the Saar Basin will become part of Germany, part of France, or an independent state.

Mr. BELAND: That is the political side of it, but what about the economic side,—the coal mines, for instance, to which the hon. member has referred?

Sir HERBERT AMES: That is all set forth in the Treaty. I can give the hon. member, if he desires to study it, a copy of all the special regulations that relate to the Saar Basin as extracted from the Treaty and as interpreted by the various regulations, and reports that the Commission has made during the past three months. It is all laid down in the Treaty; it is quite voluminous.

Mr. BELAND: But can the hon. gentleman tell the committee in a few words whether these mines are going to be exploited for the profit of France exclusively, or for the profit of Germany? I believe that France has retained the power to exploit those mines.

Sir HERBERT AMES: I think I can only tell the hon. member that that is all set forth in the Treaty. A commission of five members to administer the Saar Basin was appointed at the first and second meetings of the Council of the League of Nations. For the time being they have very wide powers in the Saar Basin. They administer practically all the affairs of that district; the civil service, railways, telephones and telegraphs are all under their control. It is their duty to see that the stipulations in the Treaty with respect to the coal and the proportion of it which will reach France

shall be strictly adhered to. Under their guidance I think they are adhered to.

Mr. BURNHAM: Will the hon. member explain how the League of Nations proposes to enforce its decisions?

Sir HERBERT AMES: Will my hon. friend be a little more specific? Give me a specific instance.

Mr. BURNHAM: The League of Nations arrives at certain decisions. How does it propose to enforce those decisions?

Sir HERBERT AMES: Possibly the hon. member has in mind a subject that was dealt with at the sixth meeting of the League of Nations, namely, help to Persia. Persia has been invaded by the Russians. Persia has apealed to the League of Nations. The League of Nations found that Persia was negotiating with the Bolsheviks at the time for terms of peace. While awaiting the reply from Moscow it was impossible for the League to take on definite responsibility, but at its meeting the Council notified Persia that if the attack was persisted in the League would stand behind Persia. Now, as to the method by which it is done let me give an illustration. In New York city you have a fire brigade and you have a municipal service that taxes the people and pays for that fire brigade. But there are fire stations scattered all over New York city from the Battery to the Bronx. If a fire should break out at the Battery they would not send the engines from the Bronx to put it out; they would send the engines that were nearest to where the fire originated. But the expense would fall upon the whole of the citizens of New York city because the expense of the fire brigade is paid by the citizens as a whole. If it becomes necessary in the defence of members of the League of Nations that various sister nations come to the rescue of a nation which is unjustly attacked, naturally the forces used will be the forces nearest the spot; but when it becomes necessary to determine how much the expedition cost the expense will be levied proportionately on all members of the League.

Mr. GRIESBACH: Who is going to put this machinery in motion and to decide which is the nearest nation?

Sir HERBERT AMES: The Council of the League of Nations will be called. In a case of that kind an emergency meeting can be called within six days, and the machinery could be immediately put into motion.

Mr. BURNHAM: The hon. member has laid stress upon the judicial functions of the League of Nations. Now, the very essence of judicial function is that the judges shall have no interest whatever in the suit or matter laid before them for decision. How, therefore, do you carry out the parallel, when the nations concerned have, perhaps, very much of a private national interest in the matter to be determined?

Sir HERBERT AMES: I think it is understood that whenever a question comes up for decision in which two members of the League of Nations are interested, they shall both abstain from voting.

Mr. GRIESBACH: Returning to this question of Persia, I may point out that there is no analogy between the case of the fire department and that of calling upon certain nations to act as suggested, because people do not get killed in putting out a fire but they do when they go to war. What guarantee is there that the Italians, if called upon, as the nearest people, to take action, would do so? Is that agreed to?

Sir HERBERT AMES: Well, you have to take it for granted that the nations who have signed and subscribed to the covenant of the League of Nations will live up to their obligations. I do not think we can quite discuss what would happen if a nation, having signed the covenant, should refuse to fulfil it. The understanding is that the Council of the League of Nations can take such steps as are necessary for the defence of any nation that is unjustly attacked.

Mr. GRIESBACH: As a member of the League of Nations, we ourselves are under some obligation to respond to a demand of the League of Nations for an armed force?

Sir HERBERT AMES: Yes.

Mr. GRIESBACH: To what extent would we be called upon to contribute an armed force if we happened to find ourselves near the place where the trouble was?

Mr. BURNHAM: Such as the United States, for example?

Mr. ROWELL: The situation as already explained by my hon. friend (Sir Herbert Ames) is this, that in case a dispute should arise and the Council of the League should decide that armed forces should be called upon to assist in settling that dispute, they would have to summon to the Council the nations which they considered should pro-

vide the armed forces; the representatives of those nations would be entitled to sit on the Council for the purpose of considering and determining that matter, and no country could be called upon to contribute an armed force unless its representative on the Council agreed that that nation should contribute that force. There can be no compulsion. It has been pointed out to this House before that the success of the League depends upon the co-operation and goodwill of the nations who are parties to it, backed by the sound moral sense and public opinion of the world. The League of Nations, in the last analysis, depends upon the public opinion of the world for its justification and support.

Mr. MORPHY: Supposing the nation in closest proximity to the seat of trouble, on being called upon to act, after having a representative on the Council, refuses to act and the next-nearest nation was called upon and it refuses to act, how far back will the matter be carried until somebody does act?

Mr. ROWELL: Of course, I can only answer as I have already answered. If the nations do not wish this League to function it will not function. It can only work if the nations are willing to co-operate, and the nations which have joined the League have bound themselves to so co-operate. There is no reason why they should join the League if they are not prepared to co-operate in working this scheme. The fact that they have joined the League is evidence that they desire to make it a success. If the nations decline to work together in operating this scheme, then the League cannot be made a success. If a sufficiently large nomber of influential nations decline to co-operate, then the League must fail. In the principal countries in Europe, voluntary associations are being formed of the most influential citizens, and known as League of Nations' Unions, for the purpose of creating and sustaining a public opinion which will back up the League and ensure the co-operation of the different nations who are members of it, in making it a success. In Great Britain, a very influential voluntary association has been organized, known as the League of Nations' Union, of which Viscount Grey is Chairman, the leaders of the political parties in Great Britain are honorary Vice-Chairmen and Lord Robert Cecil is Chairman of the Executive Committee. They are raising a fund, I think, of £1,000,000 sterling for educational work in Great Britain, so that the people of the Mother Country may intelligently support the League of Nations. I understand that in many of the principal countries of Europe similar organizations are being formed, and they intend holding an international conference some time this autumn to promote the League ideals, because they recognize that the League of Nations depends for its success upon the public opinion of the world, and they want to create a public opinion which will ensure its success.

Mr. GRIESBACH: If this nation or any other nation were to accept the advice of the leader of the Opposition (Mr. Mackenzie King) and disarm, that nation would at once put itself into a position of being unable to obey the request of the League of Nations if it were called upon to police some other locality? Is that not so?

Mr. ROWELL: I do not know that it would be profitable for us to enter on a review of the question of disarmament on a discussion of this item, I think we had better confine ourselves to the matter under discussion. The hon. member is, however, quite correct. The League of Nations contemplates the existence of force in the nations that are parties to the Treaty and the use of that force for the purpose of preserving the world peace as against a nation which violates its obligations under the Treaty or is disturbing the peace of the world. It does not aim at the complete elimination of armaments; it does aim at a substantial reduction in armaments, in reducing armaments proportionately to a much more moderate basis than that which exists in Europe to-day, although no suggestion has been made to any nation in Eurpoe of a reduction in armanments that could compare with the maximum that is proposed in Canada.

Mr. GRIESBACH: I should not like to be understood as opposing a genuine, reasonable and well-thought-out attempt to bring about the cessation or diminution of war, and I was struck with one sentence that fell from the lips of my hon. friend (Sir Robert Ames), when he said that, amongst other things, the League of Nations would undertake the study of the causes of war and the removal of those causes. If the League of Nations does nothing but that, it will be taking a long step towards the diminution of war. The study of the causes and the scientific and intelligent removal of the causes of war are

the first steps. To begin this attempt at the diminution of war, to precede all discussion by disarmament is, in my judgment, the height of nonsense. I can never subscribe to that, but I agree that the League of Nations can do a very useful work, in the first place, by studying the causes of war and, in the second place, by attempting to remove those causes.

Sir HERBERT AMES: The hon. member need have no anxiety that disarmament will come suddenly to the world. All the tendency is the other way. But I think he will admit that what has already been done to that ultimate end is wise. When the meeting of the Council was held in Rome, there were present representatives of the armies, navies and air forces of nearly all the principal nations. A committee of twenty-seven was, or is being formed, there being nine naval, nine air and nine military experts on this committee. Their duties are both immediate and future, their immediate duties being to examine carefully into the military strength of each nation which applies for admission to the League with a view to seeing whether these nations are likely to be militaristic in character and to set the extent of the military strength that one of these new nations entering the League may be permitted to carry. Their second duty is to prepare a convention with a view to securing the recording of all sales of arms that are made by nations in Europe to undeveloped peoples in other parts of the world. It is realized that there is an immense stock of ammunition and arms in the hands of certain nations in Europe who need the money and do not need the arms, and there is a great temptation to them to sell these arms and ammunition to backward countries in other parts of the world. When these backward countries find themselves in possession of modern arms, it is a direct incentive to war. Consequently, the second task that falls upon this expert committee that is now well on in the process of formation is to prepare a scheme by which all such sales of arms must be registered, and no sale of arms can be made without the permission of the League. It is recognized that anything like proportional disarmament is a matter requiring long and careful consideration, but it is expected that this expert committee—which, mind you, is primarily composed of military, naval, and air men,—will first undertake a complete stock-taking, so to speak, of the war possibilities of all the nations of the world. When the actual facts are obtained, and are codified so that they can be studied, then it will be possible by agreement, I believe, to have a proportional disarmament of the world undertaken, so that no nation will suddenly find itself entirely at the mercy of its neighbour, and that each nation will gradually find that the burden of preparedness which it has hitherto carried can be lessened, knowing that the other nations of the world are doing the same thing. If we can once get the armaments of the world down to such a small extent that no nation can suddenly take any other nation by the throat we shall have gone a long way towards securing everlasting peace.

Mr. BELAND: We have now reached the point where we are asked to believe that the maintenance of peace and the curtailment of armaments are the aims of the League of Nations, and also, we are told, of the Canadian Government and of the division of St. Antoine, Montreal. I would ask the hon. member if the United States was represented at the meetings of the Council that have been held in the last five months,—the United States being one of the five Great Powers?

Sir HERBERT AMES: I think I can say that no important step has been taken by the Council of the League of Nations since its formation without an opportunity having been afforded to the United States to co-operate. That will be shown by our records. If the United States declined to co-operate, they will never be in a position to say they were not invited to do so on each important matter. As yet they do not officially co-operate. They have on several occasions unofficially permitted prominent Americans to give us the benefit of their views and advice, but so long as the United States is not a member of the League of Nations, it is, of course, not bound by the decisions that are arrived at, nor does it assume any official responsibility for the carrying out of those decisions.

Mr. BELAND: May I ask further whether the hon. member has any information regarding the date of the next convening of the Assembly of the League of Nations, and the place where it will assemble?

Sir HERBERT AMES: At the meeting in Rome it was decided that there shall be a meeting of the Assembly before the end of the present calendar year, and a decision was recorded that this meeting should commence in the first half of No-

vember. The Covenant provides that the first meeting of the Assembly must be called by President Wilson. He was therefore communicated with, and asked to issue the official call. It was suggested to him that one of the capitals of Europe would be a proper place. Whether Brussels was distinctly stated in the telegram or not I do not remember, but the understanding was that the preference of the Council for the first meeting of the Assembly was for Brussels.

Mr. BELAND: Have Belgium, Spain, Greece and Brazil been represented at the different meetings of the Council?

Sir HERBERT AMES: Every meeting of the Council has been attended by eight members. They are not always the same persons, although, generally speaking, the representation is continuous. The four principal Powers, and Belgium, Spain, Greece and Brazil are represented at every meeting. The Council has never sat with less nor more than eight members.

Mr. MORPHY: President Wilson was designated as the person to call the first meeting, I understand. The United States not being in the League and no one having been designated to call the second meeting, who will call it?

Sir HERBERT AMES: I should presume that the second meeting will take place where the first meeting decides it shall meet.

Mr. MORPHY: On adjournment?

Mr. MACKIE (Edmonton): Is it the intention of the League to take any direct action in case of conflicts between Powers?

Sir HERBERT AMES: I understood that we had been rather dealing with that question in the case of Persia.

Mr. MACKIE (Edmonton): To what extent is it proposed to limit armaments, if it is the intention of the League to take direct action in such cases?

Sir HERBERT AMES: Although it has always been understood that large standing armies and navies would be reduced, it was never thought there would be a time when there would not be a sufficient army and navy for the police purposes of the world.

Mr. MACKIE (Edmonton): Why is the League not taking any action in the matter of the war between Russia and Poland, and the war between Poland and Ukrania?

[Sir Herbert Ames..]

Sir HERBERT AMES: Neither Russia nor Ukrania is a member of the League. So far as Poland is concerned, Poland's allegation is that this it not a new war, but simply a continuation of their war of self-defence.

Mr. MACKIE (Edmonton): Why is not the League taking direct action and settling the difficulties among these nations on the principles which have been enunciated by the hon. member this evening?

Sir HERBERT AMES: The League of Nations is not setling up the old wars. The League of Nations has to accept the world, when peace is made, and deal with it from then onwards. That brings up this very important difference between the Supreme Council and the League of Nations. We are often asked why the Supreme Council does not bring its duties to an end and make room for the League of Nations. That arises from a misconception of the difference between the two bodies. The Supreme Council differs, both in its composition, and in the work that it does, from the League of Nations. The Supreme Council will continue until the Treaties have all been drawn up and accepted, and until the force to cause them to be accepted has been used, if necessary. When the world is at peace it is not expected that there will be very much left for the Supreme Council to do. On the other hand the League of Nations is not merely a small sub-committee of the victorious powers. The League of Nations includes thirteen neutral powers; its powers are curative and constructive and it takes hold where the Supreme Council lets go.

Mr. MACKIE (Edmonton): Is it the intention of the League to recognize the principle of self-determination, and if so why does it not recognize the demand of Ukrainia for self-determination?

Sir HERBERT AMES: A state can be taken into the League as a nation only by the Assembly. Ukrainia is one of eight or ten smaller powers, I understand, that are applying for admission to the League. If, when the Assembly meets next November, they are satisfied that there is a stable government in Ukrainia, that she can be recognized as an independent nation and that she is prepared to fulfil the obligations that fall upon a League member, the Assembly may then take Ukrainia into the League. They cannot be taken in except by the Assembly; the Council has not power to do it.

Mr. GRIESBACH: The hon. member used the expression, "recognizing a nation," some time ago and said that the League of Nations was not a super-state. Would the League of Nations recognize the belligerency of a revolting country or the independence of a country that had achieved its independence before the Great Powers, or only after it had been recognized either as a belligerent or as an independent by the Great Powers?

Sir HERBERT AMES: I do not think that question has ever been raised. The understanding is that each nation makes its application and each nation is considered on its merits.

Mr. MORPHY: What is the position of Armenia to-day in relation to mandatory control by the League of Nations?

Sir HERBERT AMES: With respect to Armenia, the first step that is to be taken is to delimit its boundaries. At the present time "Armenia" is a term which spreads over a larger or smaller portion of the map. President Wilson has been asked by the League of Nations to delimit Armenia. That, as I say, is the first step. It still remains to the Supreme Council after these limits are suggested to determine whether they are satisfactory and to take the necessary steps to crystallize that area into a state. Then it becomes necessary to get a mandatory appointed. It has already been suggested that the United States should accept the mandate. The United States, I understand, has declined to do so and therefore it comes back to the Supreme Council to determine what to do with Armenia. The Supreme Council in turn is suggesting to the League of Nations that it should find a mandatory. It is possible that the League of Nations may decide to guarantee a loan of the necessary funds to put Armenia on a sound financial basis and may also guarantee the necessary force to be raised among the powers for its defence, in which case it may be possible to secure some small state that can take over the administration with a feeling that the whole expense will not fall upon them and that they will not be compelled to maintain a large army in Armenia for its protection.

Mr. MORPHY: Has Greece not been asked to become the mandatory?

Sir HERBERT AMES: I do not think Greece has been asked to become the mandatory; at least it had not up to the time when I left London.

Mr. COCKSHUTT: Mr. Chairman, I desire to congratulate the hon. member (Sir Herbert Ames) upon the splendid address which he has given us to-night. I have long looked upon him as one of the best types of Christian statesmanship that we have produced in Canada. I have been closely associated with him for about sixteen years and I must say that as a gentleman I hold him in the highest esteem. I have followed with great interest the remarks he has made to-night and I believe that if anybody can make a success of what is a very difficult proposition the hon. gentleman will be able to do his full share. I am pleased and delighted with the description he has given of the aims and objects of the League. But, as we cannot spend all our time on ideals, he will perhaps pardon me if I draw attention to two or three matters in connection with the League of Nations that have been stumbling blocks to myself and in regard to which I have expressed my views in this House on previous occasions.

This is probably the greatest ideal the world has produced up to date. Unless it is the great success that it is expected to be it may prove one of the greatest fallacies the world has ever seen along the line of the attempted control of nations. Just looking at the practical side I want to make a very few remarks. The hon. member for St. Antoine devoted a large part of his remarks to the question of disarmament, and the word "armament" was not mentioned in a way to suggest that armaments were being increased. I do not know that we would be justified, as the leader of the Opposition (Mr. Mackenzie King) apparently thought, in cutting down the very meagre Estimates that have been presented to this House for the naval, military and air services. I do not think that the hon. member for St. Antoine himself desired that his speech should be used in that direction. Therefore the leader of the Opposition, who has retired from the Chamber. for the moment, was not justified in seizing upon his remarks at the very earliest opportunity and using them as an argument against the very moderate proposals we are trying to get through the House in the way of naval and military Estimates .

What I would like to have heard from the hon. gentleman who has delivered this splendid address to-night is a little more about the difficulties that are in the way of the success of the League and not quite so much about the idealistic period that is expected to arrive in the history of the

world as a result of this splendid body that has been created. I am sorry that I am so constructed that I have to look at the difficulties as well as the advantages of any proposition. Yet, there are immense advantages in the propositions that all armaments should be destroyed and that the peace of the world should be assured for all time to come. I want to be distinctly understood that I would hold up both hands for any such accomplishment. It is a matter devoutly to be wished for, and I only wish I had the gaze that it required to visualize the splendid results that are to flow from this League of Nations when it is in full and final operation. But the hon. gentleman has given us a good deal of light on the inner workings of the Council of the League itself. One of the remarks that was drawn out by the member for Edmonton West (Mr. Greisbach), however, was not very reassuring to my mind, and it was this: Instancing the case of a fire brigade in a large city, that the brigade nearest the scene of the fire would be the first called out. Well, that looks like good business on the face of it, and probably is an economic necessity and is desirable. But does it not occur to any gentleman in the House that if the army nearest at hand is the one that is going to be called out first, that is the one that is going to bear the brunt of the attack, and while, as the hon. member says, the expense of the expeditions will be borne by the League, how will that make up for the loss of the lives that have been taken in the first encounter? I do not see any way by which the nation that is nearest the scene of the trouble is going to recoup itself for the loss of the life of many of its estimable citizens, and it being the nearest point of danger is going to be the first one called upon to fill the gap. That appears to me, Mr. Chairman, to be the very weak spot in the armour of the League of Nations; and unless the force that is nearest at hand should be equal to the job it might be disastrous both for the army that was called out and for the nation that sent it; and that nation might be overrun before the League of Nations could get its main forces into operation. Because it is very difficult at the beginning of a war to ascertain what position you are going to be in six months or so afterwards. When this war that we have recently gone through began, a few hundred thousand men took the field. In the early days of that war it was not expected that twenty to thirty millions of men would be in arms before it was completed. But that is what we saw, and therefore I say that the crux of the situation appears to me to be that the first brunt of the battle is always one of the most difficult to encounter, and it means that instead of having one army ready, every one of the members of the League of Nations must have an army of some size ready to jump into the gap the moment it is called upon by the League to fulfil the function, as no doubt it will be required to do; and just as sure as we are sitting here this evening as practical men just so sure the League will have many big jobs on its hands within the very near future. This is not a prophecy of my own, but it is a well-recognized law of nations which has lately been given utterance to by no less a person than Sir Henry Wilson. I do not know that he is a brother or a relation of our good friend over the border, President Woodrow Wilson, but the name is the same. Sir Henry Wilson addressed the Union Jack Club at its annual meeting on the 18th of May last, and I would ask the committee to listen to what he said—I will read very few words but they are those of a very practical man and a soldier:

> At the annual meeting of the Union Jack Club (May 18th) Sir Henry Wilson made a strong appeal to old soldiers to keep their powder dry.

That was his first remark: "Keep your powder dry." The report goes on:

> To those who said, "We went into the last war to end war," he retorted, "We didn't; we went into that war to save our own skins".

That is his interpretation. The report continues:

> To those who predicted "after the war we should have peace", he answered "We had not; there was something between twenty and thirty bloody wars going on at the present moment".

That was last month. Now if my good friend who has dealt with this question this evening had been able to give us one concrete example of a war that had been brought to an end out of these twenty or thirty wars, I would see the great advantage of the League of Nations; but those twenty or thirty wars are still going on, and there never was perhaps in the history of the world a more unsettled time than there is right now. If we are to receive from the League of Nations what we have been led to expect it should not only be able to prevent wars in the future but it should be able, in some way, to help stop the wars of the present. And when Sir Henry Wilson states there are twenty or thirty wars going on at the present moment surely the

League of Nations, with about thirty or forty of the great nations of the world in it, might show one concrete example of where they have stopped a war, and then I would become a greater believer in it. Because I speak in this way I do not want any one to think that I do not want peace in the world. I am just as peaceable, and just as desirous of having peace, as any one but I have not quite the same way of looking at things that some gentlemen possess, and it is in order to be practical and to ask members of this House to look at the matter from all sides that I say, "While we can hold up both hands for the splendid ideal and we hope that it will accomplish all that its most optimistic supporters believe, we must not take the position that Canada is going to show the road when we have the smallest army and the smallest navy of any pretending nation in the world." I trust I have not put my foot in it to too great an extent; but believing as I do in the necessity of being practical, even if we are idealistic, I feel it my duty to point out to the hon. gentleman who has crossed the Atlantic to deliver us this splendid address —a gentleman whom I admire most sincerely and to whom I wish Godspeed in the carrying out of his work—I want him to look to the conditions that are likely to arise and that when the League of Nations says, "This shall not be" I expect the League not only to issue that order but to see that it is carried out. If they can and will do that I am converted to the League.

Mr. MACKENZIE KING: I would like to ask what the Budget of the League was during its organizing period, and the amount of Canada's share? I would also like an estimate, if possible, of probable future expenditure.

Mr. ROWELL: The hon. member for St. Antoine (Sir Herbert Ames) is at present absent from the Chamber, but when he returns he will be able to give the details to my hon. friend. Our share of the expenditure last year was £16,000 which, at the then rate of exchange, amounted I think to approximately $64,000. I think that was the amount we remitted. That was an assessment made under the terms of the Treaty on the basis that all the nations that were parties to the Treaty and who were entitled to become members of the League would become members, the understanding being that if any nation paid more than its share on that assessment it would be credited on the adjustment of the assessment the following year, and if the assessment was less than the amount required then the nations concerned would supplement their contributions. My hon. friend will see that as the membership of the League is constantly being added to, the amount which any one nation will ultimately be called upon to pay cannot be ascertained until we know the total membership in the League. The appropriation which will appear in the Supplementary Estimates for this year is approximately $200,000. In connection with the basis upon which the assessments are made I may say that our view is that the present basis is not a satisfactory one. It was a ready-made basis—the scale already established under the International Postal Union—which was accepted by the Powers at the Peace Conference for the purpose of fixing contributions to the League of Nations. Now it so happens that in the contributions to the International Postal Union Canada is one of the contributors in the highest class.

Mr. BELAND: Is that the disadvantage of being too big?

Mr. ROWELL: Yes. Canada is one of the contributors, in the higset class; so is Australia; so is England. Under the convention relating to the International Postal Union at least five units of the British Empire are in the first class, and on the existing basis we are called upon to contribute more than our real share having regard to our relative standing with the other nations. I understand that one of the matters to come before the Assembly at its first meeting is a reconsideration of the basis of contribution, with a view to an amendment of the Covenant which will make the basis more equitable. When that basis is agreed upon our share or contribution will undoubtedly be substantially reduced.

Mr. MACKENZIE KING: How does our share compare with the share Great Britain pays?

Mr. ROWELL: It is exactly the same as Great Britain's share and the United States' share; Australia's share is the same. I do not know why Canada is on the same basis as Great Britain and the United States in the International Postal Union, but she is, and therefore we are paying now on this basis a larger share than we will after the readjustment is made.

Mr. MORPHY: Is the United States paying?

Mr. ROWELL: She is not a member of the League. Of course, if she comes in she will have to pay.

Mr. MORPHY: Would our payment be reduced by the entrance of the United States?

Mr. ROWELL: Yes.

Mr. MORPHY: We are paying more now because of the fact that the United States is not in the League?

Mr. ROWELL: All nations which have joined the League are paying more than they would pay if the other nations were also members.

Mr. MACKENZIE KING: What Canadians are participating in the work of this League?

Mr. ROWELL: In addition to Sir Herbert Ames, who is the financial director, Doctor Riddell, who was Deputy Minister of Labour for the province of Ontario, has recently been appointed in connection with the International Labour Office. I am not quite sure of his exact position but Sir Herbert Ames will be able to tell us. Mr. Waugh has been appointed to the Saar Valley Basin Commission. Those are the three principal appointments.

Mr. BELAND: How many members compose the financial directorate?

Mr. ROWELL: Just one.

Mr. MARCIL (Bonaventure): We have been told that Canada might be represented at the Council of the League if Canadian interests were at stake. Who is to judge when a question affects Canada as distinct from the British Empire; or is Canada called in when a decision may be arrived at in which the Empire alone is represented?

Mr. ROWELL: If the question affected Canada in the sense that Canada might be called upon to take some action under the terms of the Covenant, then Canada would be entitled to be represented at the Council of the League.

Mr. MARCIL (Bonaventure): Otherwise she has no representation except through the British representative?

Mr. ROWELL: Canada is represented in the assembly in the same way as every other country which is not now represented on the Council.

Mr. MACKENZIE KING: I see my hon. friend (Sir Herbert Ames) has returned to his seat. I was asking in his absence what Canadians are participating in the work of the League?

Sir HERBERT AMES: Mr. Waugh, who is on the Saar Valley Basin Governing Commission; Doctor Riddell, who, I understand, came from the Ontario Government, and who occupies a position in the Labour Office in connection with the study of unemployment; there are one or two younger men in subordinate positions and one young lady. Mr. Martel went over, I understand, as the Vice-President of Trades and Labour Council of Montreal. Then to the various committees that are sitting from time to time we send Canadian representatives. At the present moment Mr. Gundy is over there assisting in the organization of the Financial Conference. He came somewhat ahead of time owing to the conference having been postponed, and as he was likely to be in England some time he offered to help the committee, and is doing so I understand.

Mr. MACKENZIE KING: He made up for the one representative of labour who came after the conference?

Sir HERBERT AMES: Yes. At the present time in Geneva, where a Labour Conference is being held in connection with seamen's working conditions, we have Messrs. Robb, Gauthier and Desbarats. We should be represented at all of these important conferences whenever matters affecting Canada come up for consideration; and I hope that from time to time we may be able to secure outstanding Canadians who will make good as those who have already joined us are doing.

Mr. POWER: Is it the fact that our Canadian delegates at the Shipping Conference refused to go on until some American delegates were present?

Sir HERBERT AMES: I cannot tell you, because whatever happened there has happened since I returned to Canada.

Mr. MARCIL (Bonaventure): All these appointments are made on the recommendation of the Canadian Government?

Sir HERBERT AMES: Not necessarily. One of the principles laid down by the League of Nations is that the Secretary-General shall be at liberty to choose men wherever he can find them who have the qualifications, and offer them whatever is necessary to secure their services. Only a short time ago I was deputed to go to Geneva to interview a prom-

inent Swiss gentleman to ascertain whether he would accept an important position in connection with the League of Nations, and I was told to make it very clear to him that if he did not accept the position it would not go to Switzerland, but to a native of Denmark, and that he was invited purely in his personal capacity.

Mr. MORPHY: Who is the Secretary-General?

Sir HERBERT AMES: Sir Eric Drummond, who has had a long experience in external affairs. He was private secretary to Mr. Balfour when the latter visited Canada some years ago, and he was also private Secretary to Lord Grey, when Secretary of State for Foreign Affairs.

Mr. McMASTER: What are the probabilities as to the Great Powers which are not now members of the League of Nations entering the League?

Sir HERBERT AMES: It is the earnest desire as far as possible to have every Power great and small enter the League of Nations in due course. For example, I do not think there is any desire to keep out for any prolonged period even those States which were originally enemies of the Allies. It is only a question of when the right time arrives for those Powers one by one to be taken in, on condition that they apply to be taken in, and I think practically all of them will apply. In the case of Russia it is impossible to prophesy, because we do not know what condition of affairs exists in that country, nor are we permitted as yet to carry on that inquiry which the League considers to be necessary in order to know the exacst facts regarding the Soviet administration.

Mr. ROWELL: Before we pass from this item I wish to mention a matter of some importance in connection with External Affairs. At an earlier period of the session I intimated, in answer to a question put by an hon. member opposite, that if the Hungarian and Turkish Treaties were signed and copies were available in time they would be sumbitted to the House before the House prorogued. Although the Hungarian Treaty has been signed, an authenticated copy has not yet been received; it is, therefore, not possible to submit it to the House this session. The Turkish Treaty has been submitted to the Turkish plenipotentiaries, and although its terms are settled the Turkish plenipotentiaries have not yet made their answer; therefore it will not be possible to submit that Treaty to the House during the present session. As the principles embodied in these Treaties, however, are similar to those embodied in the Treaties which have already been submitted to and approved by the House, I take it that in the absence of any expression of opinion to the contrary by the House the Government would not be justified in withholding its approval of ratification of these Treaties until another session of Parliament if it should appear to be in the public interest that they should be ratified and put into operation before the House reassembles. I wanted to mention that fact so that the House would be apprised of the situation. If hon. members wish to know anything of the Treaties as submitted, I shall be glad to give them the information.

Mr. MACKENZIE KING: Can my hon. friend suggest to the committee any particular injury the world's affairs are likely to suffer through failure on the part of Parliament to ratify these Treaties, and wherein it may be necessary for the Governor in Council to act in order to save the international situation?

Mr. ROWELL: I can only repeat what I have previously said on one or two occasions: that the British Empire cannot ratify these Treaties or put them into effect without the consent of the Government of Canada, one of the constituent nations of the Empire. These Treaties will not be ratified or put into effect unless the British Empire is a party to such ratification.

Mr. MACKENZIE KING: Does my hon. friend suggest that the Government of Great Britain is prevented from becoming a party to these Treaties with Hungary and Turkey if this Parliament does not take some action in the matter?

Mr. ROWELL: No, I did not suggest that. I say that the British Empire will not ratify any of these Treaties without the consent of Canada. It is not Great Britain, but His Majesty, representing the whole Empire, who is a party to the Treaty, and His Majesty will not ratify these Treaties unless all the constituent nations of the Empire approve of the ratification. That Act is an Act of the Government, not of the Parliament of Canada. I intimated that if the copies of the Treaties arrived in time they would be submitted to Parliament so that the Government might have as a basis for its action in recommending ratification the approval of the House as it had in the case of the other Treaties. I now point out that

for the reasons which I have given the Hungarian and Turkish Treaties cannot be submitted to the House during the present session.

Mr. MACKENZIE KING: Would His Majesty not have power to ratify on behalf of such parts of the Empire as had expressed their approval? Is it necessary that all should ratify at the same time?

Mr. ROWELL: It may be that His Majesty could ratify with respect to certain portions of the British Empire; I do not care to enter into a discussion of that question to-night. But His Majesty is not a party as representing a section of the British Empire; he is a party as representing the whole Empire. Up to date all the nations which compose the Empire have acted in concert in ratification and it is hoped they will act in concert in the future.

Mr. McMASTER: I trust that the Government will move in the direction of seeing to it that unanimous concurrence shall not be required in order that a Treaty may become effective. I can imagine a case where a Treaty might remain unratified for a considerable time through one of the legislatures, say that of New Zealand, not sitting. In such a case it would seem to be a matter of convenience that the King as representing say, Canada, Australia, South Africa and Great Britain, should be able to ratify so far as these parts of the Empire were concerned, while New Zealand might ratify afterwards.

Mr. MACKENZIE KING: I should like to say one word to my hon. friend, inasmuch as he has specifically raised this question. The outstanding feature of the address which we heard this evening was the intimation respecting the passing away of the era of secret diplomacy. The note that was sounded most strongly in the House at the beginning of this session was that in these international affairs, certainly in our diplomatic affairs, there should be an end to secrecy and also an end to action by the Governor in Council as a substitute for Parliament. If these Treaties are of any significance at all they ought to be submitted to Parliament; the principle of the supremacy of Parliament should be maintained at all costs.

Mr. ROWELL: That is the reason why I explained to my hon. friend the situation as it stands. If any hon. member wishes to know the terms of these Treaties we shall be glad to explain them, because we have the contents of the Treaties although we have not received the executed documents.

Mr. POWER: I understand that Anatolia has been handed over to Greece. This question, I believe, has been dealt with by the Turkish Treaty—the question of Anatolia and Smyrna. What is going to happen to these territories?

Mr. ROWELL: Under the proposed Treaty with Turkey, Smyrna and the adjacent territory is under the administrative jurisdiction of Greece, although the sovereignty of Turkey is preserved over it for a period of five years. At the end of five years a vote is to be taken to determine whether it is to fall under the sovereignty of Greece or to remain under the sovereignty of Turkey.

Mr. POWER: Despatches have recently appeared in the press to the effect that Greece is to be given a free hand in cleaning up the Turkish nationalists in these regions, in spite of the serious advice tendered to the Prime Ministers by Marshal Foch and Sir William Wilson. Does the Government know anything about that?

Mr. ROWELL: I congratulate my hon. friend upon his familiarity with the despatches which appear from day to day in the press. We have no information in the matter.

The CHAIRMAN (Mr. Steele): Shall the item carry?

Mr. DUFF: Before the item carries I think we should have some information with regard to it. We have spent sufficient time in discussing the matter of the League of Nations; we have been at it since eight o'clock, and I think it is about time we got down to business.

Mr. ROWELL: The understanding was that we would not take up the Civil Government items until the application of the classification was placed on the Table. I am prepared to let the item stand; we took it up only in order that hon. members who desired to put questions to the hon. member for St. Antoine (Sir Herbert Ames) might have an opportunity of doing so. But the difference in the amount of this item over that of last year is very slight, and I think we could dispose of it in two or three minutes. That, however, rests with my hon. friend (Mr. Mackenzie King); if he desires it, I am willing that the item stand.

Mr. MACKENZIE KING: Possibly it would be better to keep to the understanding that has been made and not to proceed with Civil Government Estimates until there is laid on the table of the House the reclassification that we have been waiting for during the whole of this session.

Mr. POWER: Will it be possible under this item to discuss the question of our relations with Washington with reference to the newsprint situation?

Item stands.

Allowance to Mr. W. J. Stewart, Chief Hydrographer, for services performed under Order in Council of the 19th October, 1912, in relation to questions under consideration by the International Joint Commission, during the year 1919-20, $1,000.

Mr. KEEFER: A similar item was in last year's Estimates.

Mr. SINCLAIR (Guysborough): What does Mr. Stewart do?

Mr. KEEFER: He is a consulting engineer who attends all the meetings of the International Joint Commission and advises the commission on questions that arise.

Mr. SINCLAIR (Guysborough): Is it merely for attending meetings that he gets this $1,000?

Mr. KEEFER: There is considerable work in connection with this, and many a night I have known him to be working late hours. He may be called as a witness to give expert testimony on any international waterway question that comes up.

Mr. McKENZIE: If we are paying a man, we want to know if he is a capable man and doing good work. It is not enough for the hon. member to tell us that Mr. Stewart has been out late and that sort of thing.

Mr. KEEFER: He was one of the commissioners on the International Boundary Disputes Commission of which Sir George Gibbons was chairman as well His title is Chief Hydrographer.

Mr. SINCLAIR (Guysborough): What is the Order in Council under which he works?

Mr. KEEFER: An Order in Council was passed in 1912, appointing him and fixing the remuneration.

Mr. CAHILL: Does this man draw a salary from any other department of the Government?

Mr. KEEFER: As Chief Hydrographer he draws a salary, I think, from the Naval Department.

Mr. CAHILL: What salary?

Mr. KEEFER: I cannot answer that.

Mr. MARCIL (Bonaventure): Does he get this salary by Order in Council?

Mr. KEEFER: Yes.

Mr. MARCIL: Was the Civil Service Commission consulted in the matter?

Mr. ROWELL: He was appointed in 1912 and has been acting ever since. As a matter of fact, Mr. Stewart is in Europe now in connection with international waterways matters.

Amount required to meet expenses of the Lake of the Woods Technical Board and the Lake of the Woods Control Board, $10,000.

Mr. KEEFER: This is an item in connection with an award made a couple of years ago by the International Joint Commission in reference to the Lake of the Woods, and pursuant to that award a domestic Board of Control will be appointed to regulate the waters at the boundary there.

Mr. SINCLAIR (Guysborough): How does it happen that we need two boards?

Mr. KEEFER: The Lake of the Woods Technical Board was the board constituted during the reference before the International Commission. Pursuant to the report made by that body, it became necessary to have this second body, the Lake of the Woods Control Board, and the Technical Board will practically cease now.

Mr. PARENT: What is the personnel of each of these two boards?

Mr. KEEFER: The personnel of the Lake of the Woods Technical Board consists of practically the leading engineers of the different departments, Mr. C. G. Chapleau, Mr. Challies, Mr. Stewart—and others—about six or seven different members; I have forgotten the names of the rest. The personnel of the Lake of the Woods Control Board consists of Mr. Stewart as chairman, and two members appointed by Canada and two appointed by the province of Ontario. The dam that controls the whole situation is at Kenora, and from that dam the waters are regulated back. As the province of Ontario is affected by this matter it has asserted its right to representation on the board.

Mr. MARCIL (Bonaventure): Who are the members of the International Waterways Commission at present?

Mr. ROWELL: The International Joint Commission at present is composed of five

members, one of the American members having died recently. The Canadian members are Mr. Magrath, Sir William Hearst and Mr. Powell, of St John, N. B. The American members are Mr. Gardner and Mr. Clark.

Mr. MARCIL (Bonaventure): The province of Quebec used to have a representative on that commission on account of the St. Lawrence.

Mr. BALLANTYNE: Judge Mignault used to be a member.

Mr. MARCIL (Bonaventure): Is it merely an accident that Quebec is overlooked?

Mr. ROWELL: It may have been an accident that the province of Ontario was not represented before. It is turn about. Quebec had a representative; now Ontario has one.

Mr. McMASTER: Is the real reason not the fact that there was an accident which happened to Sir William Hearst a few months ago and that this place had to be found for him?

Mr. ROWELL: That had absolutely nothing to do with this.

Mr. DUFF: When was he appointed?

Mr. ROWELL: Some four or five months ago. I am not sure of the date.

Mr. DUFF: Before or after the Ontario election?

Mr. ROWELL: After. He is thoroughly well qualified for the position.

Mr. MARCIL (Bonaventure): I have no objection to Mr. Powell's appointment, but it is extraordinary that the Government should go down to New Brunswick and overlook the claims of Montreal and the province of Quebec when the St. Lawrence is at stake.

Mr. ROWELL: Mr. Powell has been a member of the Commission for some years.

Mr. MARCIL (Bonaventure): Does not the minister think Montreal is a city of sufficient importance to be represented on a commission of this kind?

Mr. ROWELL: I do not think any city in Canada is entitled to representation on the commission as a city.

Mr. MARCIL (Bonaventure): As a national port, I mean?

Mr. ROWELL: No, because the commission does not deal with national ports. It deals wholly with international questions from the Atlantic to the Pacific. The St. Lawrence is one of the most important, and that happens to be before the commission at the present time, but no city is entitled as such to representation on the commission. Every section of the country is entitled to fair consideration in choosing representatives on important commissions such as this.

Mr. McMASTER: Might I just voice a protest from the province of Quebec by reason of the fact that there is no man from our province on this board. Ever since the board was formed it has always had a French-speaking member, if I do not mistake. I am the last man in the world to raise questions of race or religion in this House, but it does seem to me representing as we do the province of Quebec, one of the great maritime sections of the country, a province through which flows for such a long part of its course the greatest river of Canada, and from the fact that for so long that race which composes the majority in our province has had a representative on this board—it does seem to me too bad that this wholesome custom of dividing the positions for honour among the two great races of which this country is composed has been departed from in this case.

Mr. MARCIL (Bonaventure): Does not the Prime Minister think that in view of the importance of the port of Montreal, and the 1,000 miles of the St. Lawrence running through the province of Quebec, that the province deserves some representation on that commission?

Sir ROBERT BORDEN: My hon. friend will remember that the province of Quebec had representation on the commission, first in the person of the late Hon. T. Chase Casgrain, and afterwards in the person of the present Mr. Justice Mignault, who has been elevated to the Supreme Court of Canada. It happens, just for the moment, that there is no representative from the province of Quebec on the International Joint Commission. I entirely agree that the point of view just presented should always be kept in mind, and that what my hon. friend has urged should be our aim. No one has greater sympathy with what has been expressed in that regard than I have.

I move that the committee rise, report progress, and ask leave to sit again this day.

Motion agreed to. Progress reported.

## GOVERNMENT CREDITS IN AID OF SHIPBUILDING.

On the motion of Sir Henry Drayton (Minister of Finance) the House went into committee to consider the following proposed resolution, Mr. Steele in the Chair:

1. That it is expedient to bring in a measure to provide that in any case where a person (hereinafter called the "purchaser") has entered into a contract with a shipbuilder for the building in Canada of a vessel of not less than three thousand tons, and such contract is approved by the Ministers of Finance and Marine and Fisheries, and a sum not less than ten per centum of the price of such vessel is paid by the purchaser to the shipbuilder in cash at the time the contract is entered into, and, if such cash payment is less than twenty per centum of such price, the payment to the shipbuilder of a further sum which with the said cash payment will amount to not less than twenty per centum of such price, no later than six months after such time, and the payment of a further sum not later than nine months after such time, if the previous payments are less than twenty-five per centum of such price, which will be sufficient with the other said payments to amount to at least twenty-five per centum of the total of such price are contracted for and secured to the satisfaction of the Minister of Finance, and the payment of an additional twenty-five per centum of the price is arranged between the purchaser and the shipbuilder, the Governor in Council may authorize the Minister of Finance to endorse on behalf of His Majesty promissory notes drawn by the purchaser in favour of the shipbuilder for the remaining fifty per centum of the price of the said vessel. The Governor in Council shall prescribe the place where such notes shall be paid, the method of discounting them, and the time when such notes are to be paid.

Provided that the first of such notes shall be made payable at a date not less than twenty-one months after the time the contract was entered into, and the last of such notes shall be made payable at a date not later than fifty-seven months after such time.

2. That a mortgage on the vessel for the full amount of the notes so endorsed by the Minister of Finance, in such form as the Minister of Justice may approve, shall be given to His Majesty, and the said vessel shall be registed in Canada, and the register shall not be transferred, until the amount secured by the mortgage has been fully satisfied and paid.

3. That until the amount secured by the mortgage is fully satisfied and paid, the vessel shall be insured and kept insured in favour of His Majesty for such amount and against such risks and in such insurance companies as the Minister of Finance may determine.

Provided that if the vessel is being built for an alien, and the provisions above mentioned with respect to mortgaging the vessel cannot conveniently be complied with, such security for the amount of the said promissory notes endorsed by the Minister of Finance shall be furnished by the purchaser as may be approved by the Governor in Council.

Sir HENRY DRAYTON: In asking the concurrence of the committee in this resolution it is necessary for me to refer briefly to the situation in which we find ourselves to-day in the matter of shipbuilding in Canada. We have a large number of shipbuilding yards in this country, seventeen, if I remember rightly, well equiped, and capable of turning out a maximum net tonnage of 250,000 tons a year. Roughly speaking, we have employed in that industry some 25,000 men. That is the figure which is usually used, but I have been trying to get the best possible information on the subject, and I think a nearer figure would be 23,500 men employed in the industry itself. Besides the men engaged in shipbuilding proper, there are a large number of men of necessity engaged in industries which are dependent upon activity in shipbuilding. It is more difficult to determine the exact number of men employed in these other industries, because they are more widespread and so diverse. But again the figure of 25,000 men has been pretty generally accepted. That may be a little too high; I do not know that it is much too high.

This question of aid to shipbuilding is not a new one. It is one that has been more or less forced upon the attention of the Government. For some considerable time insistent demands have been made, in the first instance, that the country should adopt a system of bonusing shipbuilding in this country. These demands were not only fathered by the shipyards, but were very energetically endorsed by the men employed in the shipyards, the Trades and Labour Council, as well as by returned soldier organizations, because it so happens that very many returned soldiers have found employment and remunerative employment in shipbuilding. The Government, however, has been unable to see its way to recommend to this House any bonus in connection with shipbuilding. Apart altogether from anything that can be urged in favour of or against the bonus system, a bonus would really not solve the difficulty in this case, which is to see that the men employed in shipbuilding have a chance to continue in their employment. The real difficulty is not a difficulty of price, but of credit. It was a difficulty arising out of exchange troubles, and the impossibility on the one hand, of many purchasers, absolutely solvent making full cash payments for their boats, and the inability on the other hand, of the shipyards to finance the whole construction. Further requests have been made. Different contracts, or proposals for different contracts, have been brought from overseas, and the request has been made that the sums which were voted by this House for the purpose of

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extending credit to overseas nations should be applied in connection with shipbuilding. We had a total vote of something over $100,000,000 of credits, but as a matter of fact only some $30,000,000 or $40,000,000 of that—roughly speaking, but I am approximately correct—has been used. The request was that the balance of these votes should be applied for the purpose of enabling construction to go on. We were unable to see our way to do that, because after all the whole effect of applying credits on that basis would be that to a very large extent the whole risk would be taken by the country. Instead of doing that the suggestion was made that, notwithstanding the difficulties of exchange, some cash must be supplied by these purchasers and that in addition to their supplying cash the shipbuilder himself would have to look after his own overhead and profits. The proposition which is now before the committee, and embodied in this resolution, is that twenty-five per cent in cash must be paid by the purchaser, that the shipbuilder has to look after twenty-five per cent and that the remaining twenty-five per cent has to be looked after by an issue of notes made by the purchaser and endorsed by the Government but that the Government's endorsation shall be secured by a first mortgage on the boat.

Mr. CAHILL: What about the other twenty-five per cent?

Sir HENRY DRAYTON: Twenty-five per cent is to be paid by the purchaser in cash, twenty-five per cent is to be looked after by the shipbuilder and that means that he looks after whatever there is of cost over and above seventy-five per cent. But he looks after his own overhead and he certainly looks after his own profit. That leaves fifty per cent and that fifty per cent it is proposed to raise by an issue of notes issued by the purchaser, endorsed by the Government, and secured by a first mortgage which will put the Government in the position of having an absolute first claim on that boat.

There is just one other difficulty in connection with mortgages, in some foreign countries where perfectly solvent purchasers are to be found but who cannot well make payments by reason of the fact that exchange works so heavily against them, the laws provide that citizens of those countries cannot be owners of vessels unless those vessels are placed on the register of their country. Of course the mortgage to be of any use to us has to be a mortgage on a boat of Canadian register, and we must maintain Canadian registration in connection with all boats which we hold for any mortgage claim. In connection with countries of that kind the resolution means that in those cases security to the full extent must be placed in the hands of the country's bankers, the Bank of Montreal, either at their Paris office in France, or at their London office, before any endorsation takes place. As we require a margin of fifty per cent we provide that the security, in order to be satisfactory, shall be a security of a similar character. What I mean by that is this. One of the great difficulties is in connection with currency payments for these boats. Some of the French banks and companies, which say that they are anxious to get boats here, are certainly solvent and strong but they do not see their way to making the large loss in exchange, and in a case of that kind the security which would be demanded would be security in the currency of the country that would be ample and sufficient, having regard to the margin of the security that we are insisting on in connection with the mortgage to protect the Government's endorsation. The result of it all is that the country takes this risk but it takes the risk of taking over a Canadian boat at fifty cents on the dollar. As against that risk it ensures private shipbuilding being carried on and the continuance of an industry in which some $47,000,000 has been spent and in which a very large number of our best workers are engaged. That is the only risk.

Besides the different matters that I have already drawn the attention of hon. gentlemen to, I should point out that we are not bound to take any contract. A contract, before being taken must be passed upon by the Department of Marine and the Department of Finance. It must be passed upon by the Department of Marine because the question of the price is an important one and the department is in a position to pass upon that issue; also because the question as to the power of the contracting firm to build a proper boat is a very vital matter and that department again is in a position to determine that point. It must be passed upon by the Finance Department because the question of the solvency of the purchaser, the class of man that the country is asked to do business with, is also a matter of prime importance.

I do not know that it is necessary to take up the time of the House further. The issue is an important one. We certainly did not

refuse the bonus because we felt that shipbuilding should not go on, or because we felt that employment should not be continued, but because we thought that was not the right way of dealing with the matter; and I think that hon. gentlemen as a whole will agree with that conclusion. We did not refuse to include shipbuilding in credits already authorized by the House because we thought that shipbuilding ought not to be carried on but simply because too great an element of risk was involved and because we desired to see that the element of risk should be removed to the greatest possible extent. On the other hand we are anxious, and I know that hon. gentlemen are anxious, that there should be some proper solution to this very vital question, because, of all the manufactured exportable commodities or products that are sent out of this country, there is nothing in which the amount spent for labour is as great as it is in shipbuilding.

Mr. SINCLAIR (Guysborough): The Minister of Finance has told us that twenty-five per cent of the amount will be advanced by the purchaser, twenty-five per cent by the builder and that the Government will become liable for the remaining fifty per cent. My question is: Will these advances be made by the purchaser to the builder before the Government is asked to make any advances?

Sir HENRY DRAYTON: The payments made by the purchasers are to be made before the Government makes any advance at all. Of course we would have to get ready to do it. The purchaser must pay at least 10 per cent of the contract entered into; he must then pay at least another 10 per cent at the expiration of six months from the date of the contract, and he has to pay the remaining 5 per cent in nine months after that date. So far as the claim of the builder is concerned that is not a matter, of course, of payment; that is a matter of the builder subordinating his claim to that of the Government. We are leaving the question of what the builder does with the purchaser entirely to one side. He will have to make his own arrangements; he is not being assisted in that in the slightest degree. The Government always has to come first; and the loan can never be more than 50 per cent either of the amount of material on hand or of the amount of work done.

Mr. SINCLAIR (Guysborough): Will the Government make advances to the builder while the construction is going on, or will they wait until the builder or the purchaser puts 50 per cent in before they make any advance?

Sir HENRY DRAYTON: The advances must be made while the construction is going on. The amounts that I mentioned would not, of course, nearly cover the construction of the boat. The construction of the boat will not be completed until the whole 100 per cent is put into that boat. But we start out with the proposition that the Government is never to be committed for more than 50 per cent of the whole, and that it cannot be committed to five cents until first the 25 per cent is satisfactorily arranged. It cannot be allowed to stand longer than during the dates I have given, and not one cent can be advanced until the builder subordinates his claim for that 25 per cent to the Government's claim in respect of any contingent liability that it may ever be responsible for.

Mr. McMASTER: In other words, the Government takes a second mortgage. Now what would happen if, after the purchaser had put up 25 per cent in cash and through the Government's endorsement of the purchaser's note another 50 per cent had been spent, the builder failed, leaving the boat three-quarters completed?

Sir HENRY DRAYTON: That is one of the reasons why we would not like to say we would do this with everybody or anybody. We have got to know whom we are dealing with.

Mr. McMASTER: If you were to make an error in judgment what might happen?

Sir HENRY DRAYTON: If we were to make an error in judgment we would have on our hands a boat for which 25 per cent in cash had been paid, and we would have to look after the balance.

Mr. BUREAU: Are these advances to be made subject to any control?

Sir HENRY DRAYTON: To the fullest control. The matter can only go along in the ordinary manner of shipbuilding. We have to have a naval architect, and advances can only be made and notes can only be endorsed on the certificate of the architect —the ordinary system of progress certificates arranged either through Lloyds—

Mr. BUREAU: Or the Bureau Veritas?

Sir HENRY DRAYTON:—or the Bureau Veritas, acting in conjunction with our own department—the purchaser will require

either Lloyd or the Bureau Veritas. We, in addition to that, would require a check by our own department.

Mr. PEDLOW: Is there any interest on deferred payments in this transaction?

Sir HENRY DRAYTON: The Government's position is that it advances nothing; it endorses. If there is a default it is the duty of the Government to enforce it against the security, but there is no Government advance at all.

Mr. McMASTER: I listened with great pleasure this afternoon to the Prime Minister who said that it seemed to him there were people in this country and in this House who failed to appreciate the financial position in which Canada is at the present time. In bringing in this resolution I am very much afraid that the Minister of Finance will have to be classed among the latter-named people. I am opposed to this legislation absolutely on principle, and also because I think it is ill-advised and dangerous. Now what is the principle that is supposed to rule the members of this House? That there should be special privileges for none, and equal rights for all. If I go—representing as I do a rural constituency— to the Minister of Finance, and I say, "There is a worthy farmer in my county who wants to put up a new steel barn made by a manufacturer of Montreal, and this manufacturer is quite willing that if he (the farmer) will pay him 25 per cent and will give him a promissory note for another 50 per cent endorsed by my learned and hon. friend the Minister of Finance he (the manufacturer) will take a second mortgage on the property,"—if I go with that proposal to the Minister of Finance will he listen to me for a minute? No. He will say, "That is an impossibility." I think this country has in the past made great mistakes by bonusing industries, either directly by bonuses or indirectly by a system of protection. I believe that that has had the effect of stimulating into precocious economic life many industries of the country before the country was ready for them, to the great loss of Canada and to the very slight benefit, if any, of the industries affected. Now, that is the first principle I want to lay down. Next, we are asked to commit ourselves—after the Minister of Finance has had to tax children's baseballs and skates in order to raise money—to an indirect liability without limit. There is not the slightest limit in this proposal. There is an indirect liability. What does the minister say? "The element of risk is removed, we are only going to advance 50 per cent of the value of the ship." Well, before the war, ships could be built for about $50 per ton. I suppose the contracts which will be affected by this legislation will be contracts which will run from $175 to $200 per ton. Let us take $180 as a fair average. Well, ships will not always be built for $180 a ton. The shipping situation, as all other situations in the world, will regulate itself; and in course of time, even if we make due allowance for the expansion of currency, we will find in a few years that ships can be built for $90 or $100 a ton. What does that mean? It means that our equity in the ships is wiped out altogether. The last Minister of Finance (Sir Thomas White) made a reputation for himself as the greatest borrowing minister that Canada has known; and if this legislation goes through, the present Minister of Finance will make a reputation for himself as the greatest loaning Minister of Finance that we have known. I congratulate the minister when he tells us that of those credits to Rumania, to Greece, and to Italy, which were approved of by the House in sessions gone by, not all have been spent. I congratulate him upon that. If it has been in his power to prevent the Canadian people from using these credits to a very large extent he deserves thanks from us and I tender thanks to him; but I hope that the amount saved in this direction is not going to be risked in that. Of course the minister will tell us that there is no risk. There has never been a man yet who went to a friend to back his promissory note who has not said to him, "Dear Jones, you will never be called upon to meet this note. This note will be met by me at the bank long before it falls due." Now, what does this legislation imply?

Mr. MARCIL (Bonaventure): Qui endosse paie.

Mr. McMASTER: Yes; and I am afraid that if we endorse we will have to be prepared to pay. If this is a good sound banking proposition are not our Canadian banks strong enough to finance the building of a few ships? The very fact that they are not prepared to do it unless the Government endorses the security should make the Government very careful in the matter. Surely this country has had sufficient experience of endorsing the obligations of other people. As a nation and as various provinces,—except the province I come from,— we

endorsed the bonds of Mackenzie and Mann and of the Canadian Northern Railway system. With what result? We endorsed the bonds of the Grand Trunk Pacific Railway Company. With what result? Have we learned nothing from the experience of the past as to the inadvisability of pledging the country's credit?

But the Government say: "It is for the purpose of giving our workmen employment in the building of ships." That might be a valid argument if our people were standing around the corners looking for work. But what is the real condition of affairs? We need to increase the production of food. Is there a substantial farmer in this country who can get the hired men he requires?

An hon. MEMBER: He cannot do it.

Mr. McMASTER: There are demands for good workmen in practically every line of activity. That being the fact, surely this plea that this proposal is in the interests of labour might be set aside. If the proposal is not new—and the Minister of Finance says it is not— why is it brought down when we are hoping to close our legislative halls? Sometimes we on this side of the House are inclined to think that the worse the legislation the later it appears. It is like reserving the bad wine till the end of the banquet,—not because we are unable to appreciate its bad quality by reason of what we had before, but because we are tired and want to get home. Well, I do not propose to tire the House on this question, but I want to place myself clearly on record as against this sort of legislation on principle. What do we get out of it? I am not speaking about the labour it will afford in the shipyards, but of the general interest of Canadian citizenship from the Atlantic to the Pacific. What do we get out of this if the boats all float, if the boats are carefully managed, if the boats are properly insured so that if they are sunk or burned the mortgage creditor will get paid off the amount of this mortgage? If all turns out for the very best we get back our money; we get no profit out of the transaction.

The other day a suggestion was made by a member from Vancouver which was given some publicity in the press, namely, that the Government should become a partner to industry. Well, that is a socialistic scheme of a very large order, and I do not propose to discuss it to-night. But at least, it had this advantage, that whatever profits were realized the Government would get its share. Under this scheme we run the risk, but we get none of the profits. In the past I have criticised as strougly as I could the policy of the Government owning and operating ships, because I do not believe that a Government department has that necessary flexibility, knowledge and business experience to be able to operate ships; but at least they are our own ships, and—

Mr. BALLANTYNE: The hon. member for Brome (Mr. McMaster) understands full well that while the Government own the ships they do not operate them. The ships are being operated by private management just the same as are the Canadian Pacific Railway ships.

Mr. CAHILL: Who owns the private management?

Mr. McMASTER: Let us try and not camouflage the situation. Those who run our ships are creatures of the Government. If these people took the bit in their teeth and did things which he considered unwise, the Minister of Marine and Fisheries would quickly bring them to book, because he is too much of a business man and has too keen a sense of his responsibility to allow those men to remain in charge a single day longer if he considered they were doing wrong. I do not want to flatly contradict the minister in any rude or discourteous manner, but I say the people see through that camouflage. The minister is, in the ultimate analysis, responsible for the operation of these ships, and when he gets up in this House and swells with justifiable pride that he has made a profit of 5½ per cent in operating those ships after everything has been taken care of, his pride is because of the fact that the gratifying result reflects upon his good management, as he contends, of those ships.

But the point I want to make is this. It is bad enough to own and operate ships even though you may as compensation for running the risk get what profits there are; but to become mortgage creditors of ships without getting one cent of compensation for the risk you run,—that is Government ownership of ships even worse than what we have at present. I trust that the minister will not proceed with such a piece of vicious legislation. It is unfair on the face of it. Why should a man who wants to buy a 3,000-ton ship be able to get this concession from the Government while the man who wants to buy a 1,000-ton ship is not able to get it? Why should a fishermen who wants to get a small schooner of 50, 100 or 200 tons——

Mr. POWER: Or a returned soldier fisherman.

Mr. McMASTER: Yes, a returned soldier fisherman, as suggested to me by the hon. member for Quebec South (Mr. Power), who is always interested in the welfare of the returned soldier—why should he not be able to get such assistance while other people who want larger boats get this accommodation? I believe that the policy for Canada to adopt is to have every tub stand on its own bottom, and to have every ship float likewise. I am opposed to this legislation, and I trust that it will not be accepted by the House.

Mr. CAHILL: I wish also to voice my opposition to this vicious legislation. We are undertaking to do something that no person in Canada outside of a pawn-broker is authorized to do. A banker would not be allowed to take the security that the minister is willing to accept; it would be against the law of the country. A trust company would not be permitted to take the security. No person outside of a pawnbroker could take this security, and we are asked by this Government to reduce the Parliament of Canada to the position of going around backing peoples' notes. It is the most vicious legislation that has ever been presented to this House. It comes right next to the Roumanian loans which were granted a year or two ago, and on which we have not yet received one cent of interest nor one cent of principal. This proposal of the Government to go broadcast throughout the world and back the notes of Tom, Dick and Harry is so absurd that I am surprised that any minister would allow himself to be inveigled into it by any set of interests. What have we to gain by it? We are told that it will mean employment for some men. Well, what are we going to do when other interests rap at the door and ask for a guarantee to employ their men? What are we going to do if the farmer asks for this kind of assistance? If he wants to buy a horse, why should you not endorse his note as well as the note of some man who wants to buy a ship? What is to be gained for Canada? Absolutely nothing. Our credit is surely not so good that we can afford to go round endorsing notes at this time. We cannot gain anything; we shall merely increase the cost of living. We tell the returned soldier that we are not in a position to re-establish him by making him a loan on his fishing boat or fishing nets, but we go to foreign countries and make loans to their citizens in order to enable them to come here and buy ships. Mr. Chairman, this thing is so absurd that when I read the resolution on the Order Paper I wondered whether I was in Parliament or not, but when I remembered some of the Government's past actions I was not surprised. I would not be surprised at anything they might do; they are irresponsible; they represent no one but themselves. If I were permitted to take every member of the Government, down to the elm tree at the gate and hang them to the limbs of that tree, I do not believe it would be possible for you to get a jury of twelve men in this country who would not vote me a bonus.

Mr. SINCLAIR (Guysborough): I object very strongly to the bringing forward of this resolution at so late a day in the session. I regard it as a breach of faith, in a certain sense, because we were assured a few days ago that all the important legislation had been brought down. This is one of the most important measures that has been brought down during the present session. The amount of liability involved is unlimited. We do not say in the resolution that we will build one ship, ten ships or one hundred ships; there is no end to the assistance that the Minister of Marine and the Minister of Finance may give under this resolution. One of the things we will have to do before we go further with this resolution is to place a limit on these gentlemen. They have already invested $70,000,000 of the country's money in ships; whether it is a good investment remains to be seen. The minister tells us that it is a good investment, but it will take time to prove that it is. It is noticeable that private enterprise is not coming forward to build ships at the same rate that the minister has been paying for the ships built by the Government. Why is it that private enterprise does not take hold of this matter? Is there no money in Canada? Have the people of this country no money to invest in ships? Is there any man in Canada who will put his money in ships at the rate of $200 a ton for tramp vessels? Will the minister himself do it? Has the Minister of Marine (Mr. Ballantyne) invested one dollar of his own money in a scheme of this kind at these prices? We all know that the prices are extravagant; it is clear to everybody that they cannot last. Shipping is increasing at an enormous rate. The tonnage of the

world is now about as large as it was before the war; it is increasing day by day and it will not be long until it becomes as cheap as it was before the war. A great change will take place within a year or two; a mortgage for a given amount on a ship that is built at $200 a ton to-day may not be worth half as much two or three years hence. No industry is so hazardous as the shipping industry; it will be very difficult for the minister to protect himself against what may happen in this regard.

Now, the principal argument that the Minister of Finance has put forward is with regard to labour. He informs us that a large number of men are employed in the shipyards of this country, and he assumes that if the Government does not come to the rescue of these shipyards and keep them going at these extravagant prices these men will be out of employment. I do not think his argument is sound. My hon. friend (Mr. McMaster) stated the facts correctly when he pointed out that labour was scarce and employment plentiful; that men are wanted in all walks of business. If 25,000 men are now engaged in the shipbuilding industry the other industries are open to them; that is not a good reason why the Government should embark on this extravagant proposal. The minister will have to present some stronger argument in order to make out a case for the adoption of this resolution. It appears that he intends to deal with foreign buyers, people about whom we know nothing. We know who the shipyard people are, but we do not know who the buyers from outside are. We cannot very well know who they are; they may be men of straw or they may be speculators. We are giving them our money; we are endorsing their notes. It would be much more to the point if we assisted our own people at home. Why has the Government no shipbuilding policy? When the leader of the Government (Sir Robert Borden) ran his election in 1911 he promised the people of Canada a shipbuilding policy, but no such policy has been forthcoming. We have a shipowning policy just now; we own ships at very extravagant prices; but we have no shipbuilding policy, no policy under which the people of this country can themselves embark upon shipbuilding. Surely the building of ships by the Government cannot be characterized as a shipbuilding policy. A national policy is a policy under which the people of Canada are enabled to embark in the business of Canada. But this Government seem to have no ability to frame a policy by which the people can embark in the shipbuilding industry. We would all be very glad to see them do it. We want Canada to be a ship-owning country, but those of us who have any idea of business feel that public ownership is not the kind of ownership that will succeed in the shipbuilding industry. I think we have made a mistake in going so far as we have in regard to the matter. I feel pretty sure that if we accept this proposal we will later on have a lot of financial shipwrecks on our hands. I am opposed to this measure and will vote against it.

Mr. TURGEON: I wish to place myself on record as absolutely opposed to the proposal made by this resolution. It is only a few hours since we asked Parliament to lend a few hundred thousand dollars to returned soldiers in order that we might get increased production, which is so much needed in this country and throughout the world to-day. We wanted to enable returned men to produce food from the sea as well as from the land—because both these lines of production are equally necessary. I pointed out this afternoon that the production of food from the sea was quite as important as the production of food from the land. This proposal is merely giving protection to a certain class of people or to certain companies who will promise to do the best they can for the returned soldier by giving him employment. At this moment, in the present condition of the world, as it has been so well described by my hon. friend (Mr. McMaster) and other hon. members who have followed him, we know that the cost of shipbuilding is at the highest possible pitch and that in a few years those ships will not be worth fifty per cent of the money that we are undertaking the responsibility of advancing to-day. We want to keep our young men, more particularly, from the cities and keep them on the farms as much as possible. Whenever in this Parliament we ask for advances to assist the producers of the food which is so much needed throughout the world to-day, we are told that we had better wait and see what conditions will be like in a few years from now. The proposition to make advances to soldiers engaged in the fishing industry was, at the advice of the Prime Minister, withdrawn, to the great regret, I am sure, of the mover of that amendment, the hon. member for Skeena (Mr. Peck), the Prime Minister's reason being that, after all, no good results would be achieved this session and that possibly at the next session something might be done

for the returned soldier. I am taking the liberty to-night of asking Parliament to accept the advice given by the Prime Minister this afternoon and to allow this matter to remain until the opening of next session which, we hope, will be not longer than six months from now if the Government is still in power. If the Government is rejected by the people of Canada, by that time the new Parliament will have a new mandate and will act in accordance with the requirements of the people. I am opposed to this bonus in disguise to a few companies which, if they be in earnest should be able to get, from the banks of Canada, the advances necessary for their enterprise. The banks offer credit to almost any enterprise that the industrial people of this country wish to undertake in order to send the products of their industry to other parts of the world. The banks will do the same thing for the construction of ships, and there is nothing the banks of Canada would be more apt to encourage than the construction of ships on the basis of financial conditions. Therefore, with all the regard which I have for the Minister of Finance (Sir Henry Drayton), in whose hands this resolution has been placed—placed in his hands, I presume, because he is known to have more of the kind regard of members of the Opposition than, perhaps, other hon. members opposite,—I cannot possibly accede to his request at the present moment, and I hope a delay will be granted. A delay of six months more will not seriously affect shipping construction in the world to-day. We know that we have enough ships for the next six months to meet the imperative demands of the commercial world. Therefore, we should wait until next session, until the people of Canada may have time to cogitate over this offer and study the question of their appreciation or disapproval of such a project. Then, when we come next session with this project, we shall come enlightened by the declaration of public opinion.

Mr. BALLANTYNE: It is just possible that hon. members have not quite grasped the statement made by my colleague the Minister of Finance (Sir Henry Drayton). Members of the committee are aware that the Government shipbuilding programme is at an end. We have a proposal submitted to the Government that France, which is badly in need of tonnage, wishes to have millions of dollars worth of ships constructed in our yards. As regards the 50 per cent that the Government are asked to advance, I want to point out, as the Minister of Finance did, that first of all the buyer gives his note, and the Minister of Finance will see to it that that buyer is financially good. After that note has been taken from the buyer, it is handed to the shipbuilder for his endorsation. We have first of all the buyer's note, secondly, we have the endorsation on the buyer's note of the shipbuilder, and thirdly, the Government have a mortgage for the full amount of the ships that are going to be ordered in Canada. I really do not see that the Government or this Parliament or the country runs any risk whatever in advancing fifty per cent of the money, taking good security in addition to the mortgage on the ships, which mortgage is a first mortgage for the total amount of the note. The Minister of Finance and your humble servant will see to it that the buyer is financially good; that the shipbuilder to whom the contracts are going to be given, is financially good. With a good note from a financially sound buyer, that note being endorsed by financially strong Canadian shipbuilders, and with a mortgage on the full value of the ship, I should like hon. members to tell me what risk the Government of Canada runs in advancing fifty per cent of the construction cost. If we wait until six months from now, as my hon. friend (Mr. Turgeon) has suggested, that would be too late. The shipbuilding industry of Canada has no protection whatever. Canadians have demonstrated that they can build ships equally as good as are built in the United Kingdom can and at as low a cost. I will admit, when the tonnage of the world becomes more evened up than it is now, the cost of shipbuilding is bound to go down; but I for one do not for one moment admit that we shall ever see steel ships built again for $50 a ton. I doubt very much if we shall ever see them built for $90 a ton as the hon. member for Brome (Mr. McMaster) has suggested. But even so: the average contract price of these ships would probably run from $170 to $175 a ton; and supposing ships went down to half that value, the Government has a mortgage on the full amount of the ships. If I were going back into business and did happen to be a member of the Government, as I am at this moment, and that was put up to me as a business proposition, not only would I accept it, but I would recommend it to my board of directors. It is a sound, clean-cut business proposition to bring into this country millions of dollars, to keep our seventeen yards in Canada busy for two or three years, and to keep employed

50,000 skilled Canadian workmen, a very large percentage of whom are returned soldiers. I have no hesitation whatever in endorsing fully the views of my colleague, the Minister of Finance and also the resolution that is now before the committee.

Mr. McMASTER: To what extent is it contemplated that endorsement should be made?

Mr. BALLANTYNE: That is a very difficult matter to state. My opinion is that the Government would not be called upon to advance on a fifty-fifty basis any more than $25,000,000 or $30,000,000 at the outside, covering a period of, say, three years.

Mr. SINCLAIR (Guysborough): Has the minister considered where he is going to get the money from?

Mr. CRERAR: This resolution, I take it, disposes of the suggestion we have seen in the newspapers from time to time that the Government might embark on some policy of subsidizing shipbuilding in this country. That policy would be, in my judgment, absolutely bad, and the policy proposed by the Minister of Finance in this resolution does not fall very far short of the other so far as its badness and unsoundness is concerned. I am opposed to the proposal embodied in this resolution. It is true that we are not handing over to shipbuilding concerns sums of money in actual cash by way of subsidy. What we are doing is pledging the credit of Canada to assist in the building of these ships. My hon. friend the Minister of Marine argues that there is no risk in it. He states that he and the Minister of Finance, who would have to do with the matter, will see to it that only purchasers and builders who are sound financially will come in under this scheme. I ask my hon. friend, if the purchaser is sound financially, and if the builder is sound financially why is it necessary to ask the Government to give this assistance? If they cannot finance the construction themselves, if they have not the ready capital to put into it, why cannot they take their notes to the banks and raise the necessary money? The very fact that the Government are asked to endorse these notes constitutes an element of doubt. It is an old story we have heard to-night as to there being no risk in the transaction. We have had railroads built in this country, and the arguments were advanced at that time that there was no risk in the Government guaranteeing the bonds of these railways, that the railways were sure to pay and that they would furnish employment to labour. The same arguments that were advanced in favour of guaranteeing the bonds of the railways have been advanced in support of this proposal to-night. Every one knows the result of our guaranteeing the bonds of these railways. The enterprises have fallen down and the country has had to step in and make good its guarantees on the bonds. With the burden of debt that rests on this country, with our financial commitments away beyond what any one would have dreamt of six years ago, is it wise at the present time for us to contemplate any increase in the indirect liabilities of this country? I do not think it is.

Again, there is a substantial argument against this proposal on the ground that it is a discrimination. Why should shipbuilders and ship purchasers from foreign countries be entitled to this assistance? Are the Government adopting this as a permanent policy? If they are prepared to give assistance to the purchasers of ships by endorsing their notes so that they can get the money they require, are they prepared to give this assistance also to other industrial enterprises that want to set up in business and give employment to labour? I would like the Minister of Finance to answer that question. I say that we cannot afford to exercise discrimination of this kind If I want to build a pulp mill and have only a certain amount of money and I come to the Government and ask them to endorse my notes in order that I may secure the necessary funds to build the mill, will the Government assist me as they propose to assist these purchasers of ships? Will they give the same assistance to other industries? I say that the country has no right to embark on a policy of that kind particularly in the present state of our Finances.

Mr. TWEEDIE: Did not the Farmers' Co-operative Elevator Company in the province of Alberta get all their credit from the Government of that province?

Mr. CRERAR: My hon. friend is not very familiar with the history of that enterprise.

Mr. TWEEDIE: I am perfectly familiar with it.

Mr. CRERAR: I still submit that my hon. friend does not know what he is talk-

ing about when he makes that statement, and I will tell him why. When these elevators were built there was more than sufficient capital stock subscribed to pay their whole cost, and 20 per cent of it had to be paid up. The Government held not only a mortgage on the elevators for the advances it gave, but also the subscribed stock. They were 200 per cent secured on the enterprise. My hon. friend surely cannot be serious when he makes the statement that this is a similar enterprise. I say again that this proposal is a discrimination, and I want to know, and I think the House and the country are entitled to know, whether this is the settled policy of the Government. Is the Government willing to give this assistance to other enterprises? I think that is a fair and a reasonable question to ask the Minister of Finance. We cannot have too much regard for the financial condition of this country at the present time. I say that our policy should be retrenchment, and again retrenchment, in this country. We should bring our expenditure within our income, nationally, and we must make headway in reducing the national debt. I say that faced with that debt, it is not a sound policy to add to the indirect liability of this country by the $25,000,000 or $30,000,000 which the Minister of Marine and Fisheries says will probably be involved in this proposal. I submit that it is not a sound policy for this country to embark upon.

12 m.

Mr. TWEEDIE: I happened to be in the legislature of Alberta at the time the Act authorizing the loan to the Farmers' Co-Operative Elevator Company in that province was passed. The Farmers' Co-Operative Elevator Company came to the Government, got their credit, and got their money, and the credit of the province of Alberta is being used for that particular industry in that particular province at this particular time. If you go into he province of Saskatchewan yau will find that the credit of that province was also used in connection with the elevators there. If my hon. friend will look over the history of the western provinces during the last few years, he will find that this Federal Government was the one Government in the Dominion of Canada which advanced loans for the purchase of seed grain by the farmers of the West. So far as the transportation of the products of Western Canada are concerned, I think it is the duty of this Government to establish a mercantile marine under our own control, so that we shall not be dependent upon the shipping of any other part of the Empire, or of any foreign country. I think if this Government is to be congratulated upon anything, it is that they are willing to render assistance for the purpose for which this resolution is introduced.

[Mr. Crerar.]

Mr. CRERAR: The situation is wholly different between this proposal and the proposals for giving assistance in the building of elevators in the provinces of Alberta and Saskatchewan. Let me repeat, in those provinces the Government had not only the elevators as security, but they had the subscribed stock that was unpaid, for more than the whole cost of the enterprise. My hon. friend's argument falls down in another particular. He asks, is not this a good policy to assist in building up a mercantile marine which will be able to carry our western grain? But who will the ships be built for? The Minister of Marine and Fisheries says they will be built for the French Government. What this Government is really doing is assisting foreign countries to build ships which will be used in competition with our own mercantile marine.

Mr. TWEEDIE: Does not my hon. friend admit that the Farmers' Co-Operative Elevator Company in the province of Alberta went to the Government of that province and got legislation passed enabling them to get money on the strength of the credit of the province of Alberta? He contradicted me a minute ago and said it was not so.

Mr. CRERAR: I did not.

Mr. TWEEDIE: I was in the legislature when the legislation was passed.

Mr. CRERAR: The Government did give them assistance.

Mr. TWEEDIE: That was simply my point.

Some hon. MEMBERS: Carried.

Mr. TWEEDIE: I want to emphasize that point.

The CHAIRMAN: I am sorry that I must call the hon. member (Mr. Tweedie) to order. We are not discussing what took place in Alberta in connection with elevators.

Mr. TWEEDIE: I shall not depart from your ruling, Mr. Chairman, in the slighest. What we are discussing is the advisability of this Government rendering assistance to any industry, and as a reason for considering whether we should grant that assistance or not it was submitted that no other similar class of industry had received sup-

port from any government. I pointed out that the very industry with which the hon. member for Marquette was connected and the company of which he was manager endeavoured to get control of all these elevators and received government support both in the provinces of Saskatchewan and Alberta.

Hon. Mr. FIELDING: Coming as I do from the Maritime Provinces, I would be expected to be one who would be warmly interested in all forms of maritime enterprise. I represent a shipbuilding constituency. I am in a larger degree than perhaps some hon. gentlemen around me in sympathy with the efforts that the Minister of Marine has made in regard to giving us a fleet of Canadian ships. I would like it if I could support the present proposition. But I am bound to say that I think it has not been well prepared, that it is a hastily devised piece of legislation and that the Government would be wise if they would take a few months more to consider it. It is a hastily devised piece of legislation because it is not many days since the Prime Minister informed us that we would have no more important legislation presented to the House. That is the best evidence that it has been prepared hurriedly to meet some alleged emergency. It was under circumstances of this kind that the Government, in the last stages of last session, brought forward the Board of Commerce Bill and passed it. Nobody understood it or what would be the result of it; nobody knows what good it has accomplished up to this time or what good it is likely to be in the future. This legislation is prepared in a hurry-scurry way. I would frankly say that that I have not had an opportunity of considering it at any great length and I do not believe other members of the House have had opportunity. We have had a bare quorum on the Government side of the House for most of the evening, many members are absent and a great many others have probably gone home. At all events we have a very slim House to take up at this late hour such a very large and important measure.

There are a number of the details of the measure that strike me as being rather odd but possibly they may be amended. In so far as the object of the Bill is to encourage ship building, and to give employment to people, it commends itself to me, but I see some difficulties in the way. The aid that is to be granted is to be in the form of a guarantee. I do not like guarantees. We have given guarantees to some railway companies. I have always objected to guarantees, although in the case of different railway enterprises they seemed to be inevitable and I must take my share of responsibility for some of those guarantees. But if this is something that the Government must assist, I for one would rather lend the money outright than see the Government get mixed up with notes. To have the notes of shipbuilders guaranteed by the Dominion Government floating around in this way seems to be a rather undignified proceeding and I would rather lend them the money outright.

I notice that a ship, to be able to take advantage of this legislation must be of 3,000 tons. I represent a shipbuilding community where they build vessels very much less than 3,000 tons, and I have no doubt many excellent workmen might say: "If the Government is assisting somebody in France to build a ship of 3,000 tons why can it not assist somebody in France to build a ship of 1,000 tons or 2,000 tons such as we can build in Nova Scotia?" This Bill seems clearly to imply that its application will be limited to steel shipbuilding although it is not so expressed. I would like to ask the Minister of Finance if it contemplates the recognition of wooden shipbuilding as well.

Sir HENRY DRAYTON: No, steel only.

Mr. FIELDING: That is going to confine the operations of the Bill to a limited number of shipyards in the country. I do not undervalue these shipyards; I am glad we have them, and I wish them all success and prosperity. But there are hundreds of shipyards scattered over Nova Scotia and New Brunswick that will not get any benefit whatever from this Bill, and those concerned with these enterprises are very likely to ask the same question as that which has been asked by the hon. member for Marquette (Mr. Crerar). If this Bill passes in its present shape the Government can carry it on forever and guarantee as much money as it pleases. There is no limit as to the time and there is no limit to the amount which is to be guaranteed. These are both certainly very serious objections. Then I notice that while it is provided that ships are to be insured, nothing is said as to who is to do the insuring, whether the Government or the owners. I take it for granted that when my hon. friend's attention has been drawn to this fact he will see that it is made clear; but there is nothing said as

to who is to do the insuring. Another point is that the notes are to run for four or five years. Is there any provision for renewing them? Still another point is that although we are to get our money back we are not to get any interest. As I read the Bill all we can claim is that we get back the amount that we have given in the shape of our endorsement. We have given our endorsement, we have given our credit, but we are not going to get back any interest if any of these notes should be in default—because I do not see any provision for the payment of interest. If the notes are taken up the purchaser pays the interest and we are protected; but if the notes should fall into the hands of the Government by default I see no provision by which the Government can get back interest. All they get back is the principal sum. There are many of these small details that one might bring to the attention of the Government. But in addition to that the general ground might be taken that at this very late stage in the session it would be utterly impossible for the Government to give the time that should be given to such an important measure as this. It is still more impossible for this Parliament to give it the consideration that its importance demands. I trust that the Government will try to find some other means of aiding the shipbuilding industry even if they have to take another session to do it.

Sir HENRY DRAYTON: I have no quarrel with some of the remarks of hon. gentlemen across the way.. The only thing I complain about is that they have not grasped what we are trying to do. Take the position of the hon. member for Marquette (Mr. Crerar). H says this is discrimination; that the same thing would not be done for another industry. Well, it is discrimination. We have put up in credits over $400,000,000 for the removal and sale of farm products to the extent of one hundred per cent. Of course that is discrimination. It was done and there was no mistake—I do not think the hon. member for Marquette will say it was a mistake; he will say that it was a good thing that Canada kept functioning, it was a good thing that we kept going, it was a good thing that there was a market retained for our farmers. If it was a bad thing to have a market for our farmers, if it was a bad thing to allow the farmers to produce and be able to sell their products then it was a mistake, but the hon. member for Marquette will not say so. It is discrimination forsooth, because we are doing something which I do not think we have ever tried to do before. That is to see that no one gets anything out of this until we get our money. With respect to the blanket mortgage that the hon. member for Shelburne and Queen's (Mr. Fielding) has referred to in connection with a railroad, of course there is a great deal of distinction there. They get their mortgage, they get their money, they have the whole thing open, and we assume the responsibility and the liability. Take the case the hon. member for Brome (Mr. McMaster) speaks of when he says that the cost of boat building is coming down. I think he is right to this extent—I think the cost of boat building will be coming down. But the hon. member says the prices to-day are high. He puts the price at $180 a ton. I am not quarrelling with that at all. But he says that price will be cut in two, and if it is cut in two "your whole equity is gone." But we are not dealing in the equity, we are dealing in the mortgage.

Mr. McMASTER: But you have no margin left.

Sir HENRY DRAYTON: Talking about equity, it is the other man that is cut out and the country is left there with its security which my learned friend himself says is equal to the whole amount of our debt. So far as interest is concerned, as I say, we are only endorsers. The hon. member for Shelburne and Queen's asks, "What is going to happen, if we have to make good?" Well, the only thing that will happen if we have to make good is that we foreclose —that is all—and we are entitled to our interest on the overdue debt just as much as any overdue debt is entitled to interest on it. In other words, from the very moment that we have to put up any money our interest accrues.

Mr. MARCIL (Bonaventure): I heard some mention of a splendid order coming from France. Has there been any idea of getting the French Government to endorse any of these notes to secure the Canadian Government in the guarantees it is going to give?

Sir HENRY DRAYTON: The proposition at one time was that the French Government would put up French Government bonds. A further proposition has been that some of the best banks in France would put up their obligations. The whole difficulty has been merely one of exchange.

There is one thing I should mention: When we come to the discussion of the Bill

to be founded on this resolution, if it is approved, I am going to propose limitations both as to the amount of the risk to be taken and also as to the time of the operation of the Bill. It is not intended that this legislation should allow any new industry to be built up, it is not intended to start any new yards; it is merely intended to see, if we possibly can, that a very large number of very estimable Canadian workmen are not thrown out of employment. It just so happens that there are still skilled men, it just so happens that they are accustomed to this kind of work, it just so happens that during the present period of shipbuilding they have learned this trade, and we want to so provide that they will continue to receive employment.

Mr. McKENZIE: Probably nothing can be added from this side of the House to what has already been said, but I think it is right to oppose this measure. I think the measure is bad business, I think it is absolutely unsound, I do not think that there is any principle of business upon which it can be justified. Therefore such legislation should never have been brought into this House, much less brought in at this late hour of the session. We were very willing to take a hand, and hurry along and get through with the original business of the House that had been before us for weeks and months. Now, at this very stage, when we have already practically wound up the business of the session, this new proposal is brought in. It is absolutely new—I have never heard of anything like it in Canada before; that the Government of this country should begin to endorse notes for somebody. If I went home to-morrow, took the hustings, and began telling the people that this Government at Ottawa are undertaking to endorse the notes of somebody they do not know—if they do know they will not tell us—and are going to put up thirty millions of money (according to the Minister of Marine the obligation may go to thirty millions) endorsing the notes of this man, nobody would believe me. The people would say, "You are insane. Nobody on earth would do a thing like that." Here we are face to face with the Government to-night, with the Minister of Finance at its head, and he will not tell us whose note he has in his pocket. It is in blank I suppose; I do not know whether there is even a two-cent stamp on it; but I assure my hon. friend that though he endorses it himself I would hesitate to give him the stamp to put on it. In all seriousness, Mr. Chairman, I want to know to whom the people of this country are going to turn for protection. Surely the Canadian people who send us here have a right to know the facts. I appeal to men sitting in this House—men that are sane, are serious, and understand business principles. We are told that there is no money to spare, that we are in debt, we are short and cannot meet our bills. When any person comes to Parliament looking for money for the returned soldiers in any shape whatsoever, the ex-Minister of Finance (Sir Thomas White), is called to stand up to rebutt their claim. The Government would not be satisfied with any less important witness. They called that hon. gentleman to the stand, and, under the solemnity of an oath, he told the special committee that were dealing with the matter, and told the people of this country, that it was absolutely out of the question to think of spending any money on the returned soldiers because we did not have it. Not only was Sir Thomas White called to the stand, but so were the Deputy Minister of Finance and every other man whose word was worth having. And the conclusion the committee drew from that evidence was that no matter how kindly we felt towards the returned soldier, no matter how much we would like to help him and his family, and put him on the highway to success, we did not have the money with which to do it. And, as has been said to-day—I think by the Prime Minister himself—we must cut our coat according to our cloth. Now we have come to a position when the coat and the cloth are any size whatever and there are no limitations of any kind. I want to ask the Minister of Marine—who is a business man and who seems to have a hobby in the shipbuilding business: If shipbuilding will not stand upon its own bottom to-day when is it going to do so? The prices for shipbuilding are at the top notch. Shipbuilding is in a better condition to-day than it will be five years, or seven years from now. The minister says the people concerned are of good financial standing they are men of high credit, they are men with respect to whom simply as a matter of form—for the purposes of identification I suppose—the minister has placed his name on the back of the note. That is all. Well, if they are such good business men, if they need this assistance in a prosperous time for shipbuilding like the present, what is going to happen when the prices of ships come tumbling about their ears? What becomes of our mortgage and of our security? We

should make up our minds to stay here all night, all day to-morrow, and every day this week, to stand at the door of the treasury of this country, and defend it against the most outrageous onslaught that was ever made upon it.

It stands without parallel. We have had to go into debt to the tune of $75,000,000 to embark in the shipbuilding business, and now we have become so hilarious that we are willing to endorse our competitor's securities. We say to him, "Why, this is easy. We are doing splendidly. We made $5,000,000 last year. Certainly we did not allow anything for depreciation, but we had new ships and we made 5½ per cent. Come along, Sir. You have no money, but we will endorse your paper." That is the temporary intoxication in which the Minister of Marine and Fisheries finds himself, and he drags along with him the new Minister of Finance, who really has very little knowledge of what is going on. We are asked to walk home at this hour of the night and let those honest gentlemen get their hands deep into the Treasury. We stand here possibly "like a voice crying in the wilderness," for we are not in a majority; but it is our duty to raise our feeble voice against this unbusinesslike proposition.

The facts of the case have been presented to hon. members and to the Government. What more can we do? But we do say, hon. gentlemen, that we will remember these things, that we will tell the people about them, and that if the Government turn us down because they have a majority and take this money contrary to every principle of good business, we will "appeal to Caesar." We will tell the returned soldier and his widow, and his children, "This refusal of money to you was a mere camouflage. The very night that they turned down your proposition they voted $30,000,000 to some unknown Dago from across the Atlantic to build ships." Anybody can build ships if we furnish the money. Anybody apparently can get the Minister of Finance to endorse a blank note, with a bad stamp on the corner of it, and then build ships and sell them, and if he has anything left over so much the better; If he has not he has lost nothing. I shall have no hesitation in telling this to the people because we have no evidence to the contrary.

I ask those members older than the ministers who are facing us to-night if ever they heard of a $30,000,000 proposition being submitted to any Parliament, much less to this Parliament, on such bareboned, meagre information as has been furnished to us to-night? I appeal to hon. gentlemen opposite for their own sakes to have some respect for this House and to let us have a breathing spell at least to find out something about this thing before they attempt to force down our throats such an unbusinesslike proposition.

Mr. GOULD: Mr. Chairman, it was not my intention to take part in this discussion, but this question has worked upon me to such an extent that I feel it my duty to declare myself as unalterably opposed to it. The hon. Minister of Finance, likewise the hon. Minister of Marine and Fisheries told the House that they did not think we grasped the idea; but if any one is deceived I think it is the hon. gentlemen themselves. It is not my policy to endeavour to wilfully stall any legislation, but I would ask: What public sentiment has been presented to this Government to launch this proposal? Or are they, in a spirit of autocracy, taking it upon themselves to present this proposal as a policy good for the Dominion? I am sure that if the people were allowed to stand here to-night and declare their opinion upon this policy, they would condemn it wholeheartedly, and they would condemn also the members who advocate it. I am sure that at this time the people are not willing that their credit should be pledged any further until their own financial conditions have been brought nearer to the point where they can understand and handle them.

We have been asked to advance money before, but this proposal is far and away removed from any similar proposal that has been heretofore discussed in this House. I listened to the plea of the Minister of Finance when he was presenting his Budget to this House and showing why he ought to have more revenue through the medium of luxury taxes and other taxes. But I did not think when we were trying to discover ways and means of raising that revenue that the credit of this country was to be used in the manner suggested here to-night.

The argument has been advanced that this proposal will provide labour for some thousands of men. A few weeks ago a modest request was made by me to have a few miles of railway built in my constituency, and I was told that the labour for that work could not be secured. Now we see how the argument is being used when it suits the purpose of this Government, for to-night they say that all kinds of labour is available

for certain things. I like consistency, but I fail to see any in such an argument. I wish to particularly endorse the sentiments expressed by the hon. member for Brome (Mr. McMaster) and to place myself on record as opposed to this resolution.

Mr. DUFF: The Minister of Finance in his first statement told us that some 23,500 were employed in these shipyards. Is that the total number of men employed in steel and wooden shipyards, or in steel shipyards only?

Mr. BALLANTYNE: In steel shipyards only.

Mr. DUFF: We were also advised that a great many of those men were returned soldiers. I would like to know what proportion.

Mr. BALLANTYNE: I can only give to the hon. member the information that has been furnished to me by the shipbuilders. They state that about 25 per cent of the 23,500 men are returned soldiers. I might be allowed to add that great pressure has been brought to bear upon the Government by returned soldiers to do something to keep shipbuilding going.

Mr. DUFF: Being interested in the shipbuilding business in a small way in Nova Scotia, I feel rather embarrassed in discussing this matter without an opportunity of giving it further consideration. Everybody admits that the resolution is a very important one, and I do not think it would be wise for the Finance Minister to press it to a vote to-night. I strongly urge upon the minister the desirability of our reporting progress on this resolution so that every hon. member may be in a better position to deal with the matter at a later stage.

The Minister of Finance told us a few moments ago that he was afraid we had not grasped what the Government had in mind. That is quite right in one way, because we have not had time to digest this resolution. Still, I think that the assertion was not an absolutely fair one, because we on this side perhaps know as much about certain matters connected with the affairs of this country as my hon. friend does. Having regard to his Budget and the manner in which the Budget resolutions were brought down and subsequently changed, twisted and torn to pieces, it is apparent that we on this side are as capable of dealing with any of these matters as is the Minister of Finance. Accordingly I think that he should hesitate before throwing across the floor the suggestion that we do not understand legislation which is brought before the House.

I said a moment ago that I was interested in a small way in shipbuilding in Nova Scotia. My hon. friend (Mr. Fielding) referred to the fact that he represented a shipbuilding county. I am in the same position; in fact, I am interested in one shipyard in the county represented by my hon. friend. I am also interested in two shipyards which are operated in my own county. There are about twelve shipyards in my county in which wooden ships of from 100 tons to 700 tons are built. In the counties of Shelburne and Queen's there are something like eight yards engaged in the building of wooden ships of the tonnage that I have mentioned. If this proposed legislation is good legislation, it seems to me that it should cover all the shipyards in Canada. It is not fair that the steel shipyards should be picked out for special privileges in this regard. I oppose the resolution on that ground; if the Government have not some permanent policy which will apply to all the shipyards of the country, we should not adopt legislation of this kind applying only to one particular line of ships.

Mr. MORPHY: Would the hon. gentleman be in favour of this proposal if it extended to wooden ships?

Mr. DUFF: I have said that we ought to have further time to consider this resolution. I am not in a position to give a decided answer whether I am in favour of it or not, but I certainly am opposed to the resolution as it reads now. There is discrimination in this resolution between the different shipbuilding industries, and that is not a good policy for this Government to pursue. They ought to adopt a permanent policy which would treat all shipyards alike. There are 23,500 men engaged in the steel shipbuilding industry, and perhaps another 25,000 men engaged in other industries connected with shipbuilding. Moreover, in the wooden shipbuilding business on the Pacific and Atlantic coasts an additional 50,000 men are employed in the yards, in cutting timber, in making sails, and in doing other work in connection with the building of ships. It is not fair to pick out one class of shipyards and accord to them different treatment from that accorded to others.

In Nova Scotia we have been building during the past six months vessels for French account—that is, vessels which were ordered or contracted for by French buyers and which have been taken delivery of, or

will be taken delivery of in the near future. Of course, the operations of the shipbuilders in Nova Scotia are not of the same magnitude as those contemplated under this resolution, but it seems to me that there is no reason why the French Government or the people in France who want these ships cannot arrange payment for the ships which they may require, just as they are doing in the case of the vessels now being built for them. In the constituency of the hon. member for Shelburne and Queen's two vessels are being built for French account. These vessels will be used in the fishing industry of France. They will leave France in the spring to engage in fishing on the Grand Banks or on St. Pierre bank, to return home in the fall. In my county the shipyards are building two vessels and I think have contracts for four more. These are being built for French account for the purposes of the fishing business in France. Now, when the French owners came to make contracts for these vessels they said to the shipbuilders of Nova Scotia: "On account of the low rate that our franc is bringing in the foreign market, we do not like to pay for these vessels now. But we are willing to get our bank in Havre, Paris, or one of the other French centres, to guarantee payment for these ships. If you will get your bank to accept the guarantee of the bank of Havre we will guarantee to pay for the ships in eighteen months, or before eighteen months if the franc reaches ten. If in eighteen months the franc has not reached ten, either we or the Bank of France will settle for the vessels." It is true that they had some difficulty in financing this business, but our banks in Nova Scotia—the same banks that are doing business in Ottawa, Montreal, Quebec and other Canadian centres—finally agreed to take the security which the French business men offered and which the French banks were willing to guarantee. I gather from what the Minister of Marine said that the French Government are prepared to stand behind this proposal. If the French banks or the French Government will stand behind it, and if responsible men in France are getting these ships, it seems to me that the shipbuilders in this country who expect to get these contracts should be able to finance this business without getting the Government to endorse their notes.

We should have more time to consider this matter. There cannot be any great rush about it; the resolution was put on the Order Paper only a couple of days ago. If it is found that business men in France cannot discount with the Bank of Montreal, the Bank of Commerce, or some other great bank in this country, the notes of the business men in France guaranteed by the French Government or by the Bank of France, we might consider the advisability of doing something else; but as a business man I am not satisfied that this cannot be done. If the Bank of France is behind this proposal, responsible ship owners in France ought to be able to raise fifty per cent on the ships for the construction of which they are going to enter into contracts. As I said a moment ago, this is special legislation. We in the province of Nova Scotia are to-day in practically the same position as shipbuilders in Upper Canada who are building steel ships and, perhaps, the steel shipping industry in Halifax. I know of one shipyard which has three ships, small ships of course, which it expected to sell to Newfoundland parties. These vessels are now ready for delivery, and on account of the depression in business in Newfoundland, the men who contracted to build these ships cannot sell them at the moment and they have to do something else with them. Is it not just as fair that the Government should help these Nova Scotia shipbuilders on account of the depression in the small vessel business as that they should help other shipbuilders who are building vessels of 3,000 tons and over? We ought to treat everybody in this country alike, if this is a good sheme and if we are going to help other shipbuilders.

I notice that the first clause in this resolution is not very clear. It says, first, that the contractor must pay a sum not less than 10 per cent of the price of such vessels, and thent it goes on to say:

> The payment to the shipbuilder of a further sum which with the said cash payment will amount to not less than 20 per centum of such price, not later than six months after that time.

That is, I presume, six months after the contract is signed.

> And the payment of a further sum not later than nine months after such time, if the previous payments are less than 25 per centum of such price.

This resolution is very poorly drawn, because it is not at all clear how much money a contractor will have to pay to the shipbuilders. For that reason, as well as others I have mentioned, the Government ought not to go further with this resolution to-night, but they should give it further con-

sideration and, perhaps, change the wording of the resolution to make it read better so that members can understand it. Another clause reads:

> Provided that the first of such notes shall be made payable at a date not less than 21 months after the time the contract was entered into.

Why, if the contractor is willing to pay back some of this money in nine months or twelve months or fifteen months, can he not be allowed to do so? Under all the circumstances—and I am discussing this as a business proposition—if I thought that these shipbuilders could not make business arrangements with shipowners in France who want these vessels without coming to the Government, I would be willing to consider some proposition.

Some hon. MEMBERS: Carried.

Mr. DUFF: Just for that, this resolution will not carry for two hours. I am willing to stay here all night, and if hon. gentlemen opposite do not wish to listen to this discussion, they can go outside somewhere or try to behave themselves. They cannot get legislation through by calling "carried", and we are not going to be bluffed by any hon. member opposite. The resolution reads:

> That it is expedient to bring in a measure to provide that in any case where a person (hereinafter called the "purchaser") has entered into a contract with a shipbuilder for the building in Canada of a vessel of not less than three thousand tons.

As my hon. friend (Mr. Fielding) said, this portion of the resolution is certainly not well drafted, and the Government should seriously consider the advisability of amending it so as to cover vessels of any size which any shipbuilder may build. Under all the circumstances, the Minister of Finance, in fairness to the members of this committee and to the country, should not press this resolution to-night. A delay of a day or two will not make any difference, and although I, and other members of the House, have made plans with the idea of getting through the business of this House the latter part of this week or early next week, if the Minister of Finance will leave this matter over I am willing to stay here all next week in order that hon. members may have an opportunity of studying and properly digesting this resolution. But, under present conditions, I cannot support the resolution, and I do not think it is in the interest of the country that the resolution should go through.

Mr. BUREAU: There are two sides to every question. I have, perhaps, had occasion to look into this question more than some of my hon. friends, because it was my privilege to form part of delegations that came to interview the Government about getting subsidies to maintain shipbuilding in Canada. I think it was during last summer that delegates from fourteen yards out of the seventeen came here and gave the Government facts and figures. They showed that from forty to fifty million dollars were invested in shipyards in Canada, and that under present conditions of exchange with various countries and present conditions of traffic in this country, unless a bonus or subsidy was given per ton deadweight, or, I think, per horse-power, the shipyards would have to close. In the riding which it is my privilege to represent, there are two shipyards and they have never lacked work. One of them has always taken contracts from foreign countries. To-day, they have contracts, and they can have contracts for thousands of tons of shipping, but the difficulty is that the purchasers of the ships will have to pay five or six times the price of a ship if they place orders in Canada, on account of the depreciation of the currency. France offered those shipbuilders contracts provided the shipbuilders would give France time so as to give an opportunity to the currency to recuperate. This is the obstacle which stands in the way to-day. The Frenchman does not want to pay five times the price, as at the present rate a ship of 7,200 tons would cost over a million dollars. I may say, en passant, that all the contracts which I have had occasion to see—and I have seen six or seven from the Three Rivers shipyards—were at $170 a ton, payable in American currency. That means for the Frenchman a depreciation of about 22 francs to the dollar instead of five. Those people say: We will give you the contract; but on the other hand, as you are getting the benefit of the labour and we are paying you your money, you should extend us a line of credit of 50 per cent so as to give our currency an opportunity to recover and so as not to ruin us. Otherwise, they would have to pay $4,000,000 for a ship worth $1,000,000. This is being done for the purpose of maintaining in this country an industry which will shortly be in a position to compete with the same industry in any other part of the world. We must not forget that our shipbuilding industry is new; that at the start it cost more in Canada to build a ship, because our workmen were not

skilled and the yards were not as well equipped as they are to-day. There are forty or fifty million dollars that will cease producing in this country, that will be a dead loss to the owners because shipbuilding will have to cease, unless we get further contracts, the Government having completed their shipbuilding programme. My friends may think a better way would be to loan the money. That is a matter of opinion. The main point is this: Are we going to let the shipbuilding business in Canada go to the wall? If the answer is in the negative, I say that we have to provide some means of keeping these shipyards going. If our dollar was at par in the different countries of the world, the shipyards of this country would not require a solitary cent from any one in order to carry on. I have talked this matter over with bankers and they state that in view of the large advances that will be required to enable the shipyards to carry out their orders, and in view of the crop which will soon have to be moved—and which, from all signs, is going to be abundant—they haven't the money to advance. The Minister of Finance has said that this proposal will involve from $20,000,000 to $30,000,000. Bankers in our part of the country with whom I have discussed this matter say that it would be too great an obligation for the banks to assume at this time.

It would be no better for us to make a loan. In the present case we have the note of the purchaser, and the Government reserves to itself the right to ascertain his financial condition. If it is not good the Government will not endorse his note. If his credit is good, the Government say: We want to help you along, we will give the adverse exchange a chance to rectify itself, and in the meantime we will enable you to carry on. These people will be able to repay the loan, but they would not be able to pay five times that amount, which is what they would have to pay if they went ahead by themselves at the present rates of exchange. I am sorry to part with my friends, but I am going to support this resolution, because from the bottom of my heart I am satisfied that it is absolutely necessary to enable our yards to carry on. I think it is in the public interest that these men who have become efficient in this kind of work should maintain the shipbuilding industry in Canada. It might be said that I am favouring this resolution because there are shipyards in my riding. Yes, there are, and they have enabled me to ascertain the conditions in the industry and form an opinion, and I have expressed my honest opinion as I view the matter. I regret that we cannot all see eye to eye on this matter. but I am going to support the resolution as I believe it is in the public interest. If there is anything deficient in the wording of the resolution, we can suggest improvements. If my friends think it would be well to set a limit on the time or the amount, we can discuss that when the Bill comes down. From my own knowledge I know that the need is pressing and that aid should be given at once. Otherwise, a calamity might hit our country through the shipyards being unable to carry on.



Mr. CAHILL: There is no man in this House. I would hate to oppose more than my hon. friend (Mr. Bureau), but I am absolutely opposed to the principle of this resolution. The principle is wrong. The Government have made no attempt to explain where they got the idea of this principle of guaranteeing the notes of people outside the country, or inside the country for that matter. Where is there a precedent for it?

Sir HENRY DRAYTON: There are lots of precedents. I will give my hon. friend one that he is fond of, because I know he supports everything from the West. I would refer him to chapter 13 of the statutes of 1913 of the province of Alberta.

Mr. CAHILL: I am speaking of a nation, not of a province, or a town, or a village.

Sir HENRY DRAYTON: My hon. friend wanted a precedent. Section 31 of the Act I have just cited reads:

> The Lieutenant Governor in Council is hereby authorized from time to time and on such terms and conditions as may be agreed on with the company to loan to the company for the purpose of aiding in the acquisition, erection, extension or remodelling of any elevator or elevators a sum not to exceed eighty-five per cent of the estimated cost of the said elevator or elevators or of such extension or remodelling.

Mr. CAHILL: That is all right for a province. No, it is not right for anybody, but it is a different matter entirely in the case of a province or a town. I remember reading that when Sir John Macdonald was in Washington when the negotiations on the treaty of 1871 were being carried on, when the American plenipotentiary wanted him to take a cash payment in lieu of the fishery rights of Canada, he refused. After

discussing it for several days he finally suggested that the difficulty might be overcome if the British Government would guarantee the bonds of a railway in Canada. The plenipotentiary of Great Britain of that day, without hestitation said, "No, Great Britain will not guarantee the bonds of a railway in Canada. I tell you at once, it is impossible." I think Gladstone was in power at that time, and he said the proposal could not be considered. They did discuss, however, giving a cash bonus or a loan, but they would not consider guaranteeing the bonds of a railway. He was able to decide that right off because he knew his people and the condition under which they were living. He knew that the principles of Government of that day would not permit any such thing. Surely the principles of this country will not permit this sort of thing. Where are you going to stop if you give to the Government power to endorse the notes of these people? It is the most outrageous and unreasonable and vicious thing I ever heard of. The Government have no right, in the first place, to juggle with the credit of the Dominion of Canada. When we were asked to vote credits to Roumania and Greece and other countries I opposed the principle then, because I thought the principle was wrong. I think every member of this House believed it to be wrong at that time, but the Minister of Finance of that day said that the people of Roumania and Greece were crying out for food and that we had to extend these credits to supply them with food and clothing. On the grounds of philanthropy, one might be induced to make a loan to a nation even if you never expect to get the money back, and I never expected that we would in that case, but to endorse notes promiscuously is so foreign to anything a government should do that I am surprised that any serious minded man would consider it for a moment.

1 a.m.

Mr. CASGRAIN: It's a brokers' business.

Mr. CAHILL: It is not even a brokers' business. Certainly it is no business for a government or for Parliament. What guarantee have we that if this principle is adopted the Government will not be endorsing the notes of some other people engaged in different industries to-morrow?

Mr. MACKIE (Edmonton): What would the hon. gentleman say if he was told the United States was doing what it is proposed Canada should do?

Mr. CAHILL: I would say that it is their business. Even if the United States is doing it, they are in a position to do it. Their money is at par in every country in the world, and above par in a great many countries. Outside of Spain, Japan is the only country in the world where the American dollar is not at par. It was at par in Japan but it is below par there now. The United States is the only country in the world that is on a gold basis possibly with the exception of one or two of the smaller nations. It would be in a position to lend credit or money, but it is not doing it. It has refused to grant any more credits as a government. It is in a better position to do it than we are with our heavy debt and enormous taxes. It was bad enough for the minister to come down with his Budget the other day out of which he expects to get money enough to pay the deficits on our railways. Now he proposes to put an additional burden on the people. Every guarantee you give simply increases the cost of living. There can be no riches produced except those which are produced from the soil, the mine, and from labour which is profitable. If you employ men at something that is unprofitable your labour is wasted. Why try to bolster up any business or industry for which the country is not adapted? If a nation is not able to carry the burden of an industry that is not adapted to it should you not let that industry come to an end? This nation is not in a position, in the face of our debt, to carry on the shipbuilding business on a wholesale scale like some of the European nations, and especially Great Britain. It is a question of trade and you have to do some trading to get something back. You can only trade to the extent of your production, and if you attempt to bolster up a failing industry you are only leading up to a situation which will be worse than it is to-day and the country will be in a much graver position than it is at the present time. The people will suffer because they will have to carry the burden. Why should you make loans to, or endorse the notes of, foreigners to buy ships in Canada to compete with our own fleet of ships? It seems to me that the Government has absolutely ignored that argument. I cannot understand why they should insist on bringing in a measure of this kind.

Mr. duTREMBLAY: These contracts are taken in France and will be submitted to the Minister of Marine. He is not

obliged to accept a contract if it is not properly carried out. A firm of shipbuilders in France or Spain which would be in a position to give a contract for two or three ships at a cost of $3,000,000 or $4,000,000, will be composed of people who are well known all over the world. If such a contract is given it would be very easy for the Government to find out whether this firm were responsible for the note that they give to the Government. There is also a question as to the extent to which the mortgage is to be taken by the Government. If I understand the position the Government will not make an advance that will be more than fifty per cent of the value of the contract. Will this contract be a business proposition? The usual cost of a boat is about $1,200,000. Before the Government will be called upon to make any advance they will send some of their architects to the shipyard to find out the progress that has been made on the work and by that time the shipbuilders from France will have paid to the shipyards in Canada about twenty per cent of the cost of the ship or about $240,000. Can we suppose that responsible people would pay to a shipyard in this country $240,000 and not continue to make other payments in order that they might receive the ship? It seems to me that is not possible, as a business matter, that such a firm will not go on with the contract.

This shipbuilding industry was started during the war and there is about $50,000,000 invested in plant in this country. The shipbuilding programme of the Government is about completed, and if we do not receive these contracts from France and other countries shipyards will have to close. Some of them are nearly closed at the present time. They have requested the Government for help asking that these companies be subsidized or bonused to the extent of $15 a ton. The Government has refused to comply with this demand. There is $50,000,000 invested in this industry and there are 25,000 men actually employed in these yards and another 25,000 indirectly employed. Everything that goes into a ship can be made in Canada, including the engines and furniture. Is it reasonable when these men have put so much capital in this industry to tell them to-day. "We will close your doors"? We have been speaking of reconstruction and we must put the country on a good business basis in order that business may be able to meet our requirements. Is this not an important act of reconstruction? Here is a new industry which, if we are able with some little help to make it permanent, will employ in the future thousands of men and will bring millions of dollars into the country.

I was speaking, Mr. Chairman, to some men interested in these shipyards and they were telling me that to-day there is the prospect of sufficient contracts to occupy all the shipyards in this country for five years to come. That means hundreds of millions of dollars for this country. The Government will not be responsible and will not be called upon to pay a cent. I do not think the Government are very liberal in their proposition. These shipyard owners went so far as to ask for advances to the extent of 75 per cent to help them finance the work of construction. It is only to aid them in building these ships that this proposition is submitted to Parliament. There is not a bank to-day that is able to finance such an extensive programme as the French Government have submitted to this country. Shall we refuse this opportunity?

This proposition is not a new one. We have protection in connection with the industries of the country, and when we pay customs duties we are paying for that protection. We also give bonuses to certain industries. The Government of the country are elected in order to carry on the country's affairs and it is part of their duty to help to maintain Canadian industries. The farmers should make no complaint; they have been receiving aid for years past, and I am very glad of the fact. In some cases when their crops have failed advances have been made by the Government to help them to tide over the difficulty. The Government have also made loans to farmers. That kind of thing has been done ever since I have had the honour of being a member of the House. I have often been called upon to vote in favour of loaning money to the farmers in the West. Nobody complained because it was thought to be only fair to help that class of the population. Taking all the circumstances into consideration I think it is only fair to help this particular industry, which will contribute so greatly toward the further development of Canada.

Mr. SINCLAIR (Guysborough): I would like to get from the minister some information with respect to the last clause of the resolution, which reads as follows:

> Provided that if the vessel is being built for an alien, and the provisions above mentioned with respect to mortgaging the vessel cannot conveniently be complied with, such security for the amount of the said promissory notes endorsed by the Minister of Finance shall be furnished by the purchaser as may be approved by the Governor in Council.

Now there is an "if" in this clause. It has been made clear to the committee that the resolution is intended to find money not for the citizens of Canada or for British subjects. That has been demonstrated by the discussion which has already taken place. Therefore all that part of the resolution which precedes this is of small importance, it is merely a matter of form, and the essence of the thing lies in the last clause. The question then arises, what is the use of talking about a mortgage if you cannot get one. If the situation is such that the property cannot be mortgaged, and there is no security of that kind, why should we continue discussing the security of a mortgage? That is not what the Government intend; the Government purpose finding some other kind of security because they cannot get a mortgage. We have not had any information from the minister what method he intends to adopt to finance these transactions. If we throw the mortgage out of consideration what is it we are going to get? We are going to endorse the note of somebody, and as yet it is all a mystery to me what security we are going to have. A mortgage was the security spoken of. Now it appears the mortgage must be put aside, and we must depend on the Governor in Council to find some other security that will satisfy them in advancing the money.

There is one great objection, in my opinion, to this measure, and that is, using the name of the Dominion of Canada on the notes of any person. I can understand the Government going into the markets of the world, borrowing $30,000,000, and using that money to help the industries of the country; but I cannot understand the country endorsing notes to be floated in the markets of the world which may be defaulted any day and which will go into the hands of a broker to be protested. That is not the way the business of this country ought to be run. My hon. friend from Shelburne and Queen's (Mr. Fielding) has already raised that point. He has stated that if we are going to do business as a country we had better borrow the money and make a clean transaction of it, and not have our name endorsed on notes of the kind that are current in the market. The Prime Minister (Sir Robert Borden) to-day convinced me that we should not pass this legislation. When hon. members on both sides of the House asked that some accommodation be given the soldier fishermen of this country, the Prime Minister replied that Canada could not afford to undertake any other liability. He told us that the debt of Canada at the present time was enormous, and that the interest on the debt was equivalent to the revenue we had a few years ago. He told us that the interest on the public debt amounted to $100,000,000, and that while he sympathized with the proposal that something should be done for the soldier fishermen of Canada he could not see his way clear to undertake any further liability. For my part I am going to stand by the Prime Minister.

Mr. DUFF: I really think that the proposition I made to the Government, when I spoke previously, to delay the passing of this resolution until we have sufficient time to look into it, was a fair one. I think the Government should agree to that proposition. Speaking personally, I am not sure that the banks of Canada are not able to advance the $30,000,000 which will be required to float this proposition; and I would like to have time to interview one or two of the bankers to-morrow and find out if the banks cannot advance this money on gilt-edge security. The hon. member for Laurier-Outremont (Mr. DuTremblay) told us that the people who are going to buy the ships are responsible persons, are men of means, and that the Bank of France is behind the transaction. Therefore there should be no trouble in raising the necessary money. I should consequently like to ascertain from our banks if they cannot advance the money, before we decide what we should do with respect to this matter. For that reason we should be given a little time to consider the present resolution.

Sir HENRY DRAYTON: There is no intention to hurry hon. members. We would like to dispose of the resolution, and in order that hon. members may have ample time to look into the matter we will not press the Bill to-morrow.

Mr. DUFF: If the resolution is carried all we can do is to amend the clauses of the Bill; the principle of the measure will have been adopted.

Some hon. MEMBERS: No.

Mr. BUREAU: That takes place at the second reading of the Bill.

Mr. DUFF: Why not allow the resolution to stand until to-morrow?—and then we will allow you to advance it. The Prime Minister to-day made the motion that the

business of the House be advanced two stages a day instead of one.

Some hon. MEMBERS: That had reference to private Bills.

Mr. DUFF: Well, he can make a motion to-morrow in respect to this resolution but we ought to have time before this is rushed through the House. There is no hurry. I am sure that hon. members on the other side of the House do not understand the resolution any better than I do. Although I had made all my arrangements to go home on Saturday to look after my business, I am willing to sit here until next week to get sufficient information on this matter. That is a fair proposition. I see the hon. member for King's, P.E.I. (Mr. McIsaac) is laughing, but he has not very much business to attend to and can well afford to sit here all summer; on the contrary, I have important business to look after, and I think he should be the last man to laugh when another member states his anxiety to get away to attend to his private affairs.

Sir HENRY DRAYTON: I desire to do everything in my power to accommodate the ehon. gentleman. I think he will agree with me that none of us would like to see the discussion take a personal turn. I am quite prepared to consider the suggestions he has made when the Bill is brought down, but I think we should make some progress. My suggestion is that we should now deal with the resolution, and I will then simply introduce the Bill for first reading. Then the Bill will stand over to-morrow with nothing done, and hon. gentlemen will have full opportunity to go into the whole matter on the **second reading.**

Mr. DUFF: But if we find that the banks will advance money to build ships, then the resolution and the Bill are unnecessary.

Sir HENRY DRAYTON: Unfortunately I am sorry to say that I am in a position to know that it is quite impossible for the banks to do it. The banks have a great many commercial obligations on their hands now. Commerce within Canada has to be considered. Credits even to-day, as hon. gentlemen know, are being curtailed rather than expanded, and it is right that they should be. Hon. gentlemen must also realize that it takes a great deal of money to properly finance the country's business. With wheat at its present price it takes a very large sum of money to finance the crop, and we ought to do nothing which will in the slightest degree imperil the proper financing of that crop. The banks are not in a position to take on heavy responsibility in this matter and at the same time look after their obligations to the West.

Mr. DUFF: I cannot agree with the hon. minister in regard to what the banks can do in financing the business of this country. For instance, supposing the fisheries of this country instead of producing $60,000,000 this year produced $120,000,000. would not the banks look after it? Or if our manufacturers could get orders from foreign countries or from our own country for twice their production, would not the banks finance them? It is not a good argument to say that the banks cannot finance the business of this country—and the shipbuilding industry is as important as any other industry. Consequently it is a business that the banks must finance just as they finance other business. But if the banks will not finance it, where does the shipbuilder expect to get his money? I say that if he has the proper security the French Government or the Bank of France will accept it. But I feel sure that the shipbuilder can raise the money from the chartered banks of this country, for it must be remembered that this $30,000,000 will be scattered among a number of banks, the shipyards being on the Pacific coast, on the Great Lakes, in Quebec and in Montreal. But, as I said a moment ago, if the banks cannot finance the amount where is the money to come from? It seems to me that before we pass the resolution we should know definitely that it is impossible for the shipbuilders to finance this matter without coming to the Government. Until we are positive on that point I think we certainly should not ask the Government to endorse these notes.

Sir HENRY DRAYTON: The hon. gentleman I know will realize that bank loans are supposed to be liquid, not tied up for two years, which would be entirely against the spirit of the Bank Act.

Mr. DUFF: The banks are doing that every day.

Sir HENRY DRAYTON: Not very much, and it is not their kind of business. The banks' current business is short-date, as hon. gentlemen well know, usually running for 30 days. The hon. gentleman doubts if there will be any difficulty in financing larger production. I do not know if the hon.

gentleman had anything to do with the difficulties of 1907, but if so he will remember that the grain crop was not financed, and that before the banks would advance money to carry a farmer's grain they first had to be assured of firm contracts for shipment overseas. We have been in that position before, and I can give other instances.

Mr. SINCLAIR (Guysborough): I was quite serious in asking the minister a question about the last clause of the resolution, but I did not receive any answer. It contemplates a case arising in which he cannot get a mortgage. What way is he going to secure the country for a loan if he cannot get a mortgage?

Sir HENRY DRAYTON: I am sorry I overlooked my hon. friend's question, but after putting it he continued his remarks. I explained that matter in opening, and I do not know that I can add very much to what I then said. In some alien countries their citizens are allowed to own boats which are not in the register of their country. So a boat can be kept in the Canadian registry with a mortgage, and of course the mortgage is not much good unless we keep the boat so registered.

Mr. McKENZIE: But how can a foreigner give a mortgage on a British ship?

Mr. SINCLAIR (Guysborough): The point, as we all know, is that the man who owns the ship in Canadian registry must be a British subject. So it is impossible for a subject of France to own a ship in Canada.

Sir HENRY DRAYTON: But the builder certainly can make the mortgage. We have no difficulty about getting the mortgage made. But I understand there is difficulty under the laws of some foreign countries as to their citizens becoming the owners of a boat unless it is brought within the register of their country. If there is that difficulty, as I said in opening, we propose to take security, in the currency preferably of that country, to an amount which will absolutely cover the whole advance with a good margin over and above, and deposit it in the hands of our bankers either in the office of the Bank of Montreal in Paris, France, or in London, England, because in connection with that deposit there is no loss of exchange. If we have to realize on that in the hands of our agents, then of course the purchaser would bear the loss on his exchange, but we would be protected.

Mr. SINCLAIR (Guysborough): That makes your security very doubtful.

Mr. McKENZIE: The hon. minister says that the ship will be nominally held by the builder, but surely as the purchaser pays for her she becomes his ship. He is at once interested in a British ship, which is against our law, and yet the minister is quite satisfied to take that as security for $30,000,000—he is willing to take what is nothing more than the defective equity which the foreigner has in that ship. I would ask the two ministers and the Minister of Justice (Mr. Doherty), who is at their elbow, what sort of security are we getting? Under our common law the foreigner has no business to own any interest in a British ship. Is the Minister of Finance going to take a mortgage on an illegal interest as vested in that owner or held in trust for him by the man who is building the ship? The minister is no better off by taking a mortgage from the man who is building the ship, because he is only holding it in trust for the other man and what a man cannot himself do he cannot do through a trustee. What sort of security are we getting? I submit that the whole thing is absolutely irregular and, moreover, that this is not the hour of the morning when complicated questions of marine law should have to be put up to the Minister of Justice.

Mr. DuTREMBLAY: I understand that under the French law the Government allows the mortgage on a French vessel to be registered at the port. If the owner were at Marseilles, for instance, the French Government would permit the registry of mortgage at that port.

Some hon. MEMBERS: Question.

Some hon. MEMBERS: Carried.

Mr. McKENZIE: Oh no, it is not carried. The Minister of Finance and the Minister of Marine must learn a few lessons, and if there is no other day to bring them to their senses, then we will have to stand in their way as we are doing to-night. Will my hon. friends tell the committee who has made a contract with some builder for the building of a ship? What is the size of the ship? When is it to be built? We must get down to some shadow of business. I am a much older man than some hon. gentlemen opposite, but I am prepared to sit here until ten o'clock to-morrow, or later, if necessary.

Sir HENRY DRAYTON: This does not deal with any specific contract. It is to enable business to be done; and the contracts have to be approved before the business is done. In connection with the other point

the hon. member raises, I admit there are difficulties about mortgaging, and that is why the whole matter is left with the Minister of Justice; he has to be satisfied as to that mortgage. If he is not satisfied, then the pledge has to be made as I explained to the hon. member.

Mr. McKENZIE: It is quite true, then, that we are in this difficulty from the legal standpoint. If we of the Opposition are here simply to jump on the band wagon every time the Minister of Finance blows the whistle, we might as well go home. I have been in this House a long time, I was in another House before I came here, I am a trained lawyer and I do not think I should be doing justice to myself or to the people I represent if I allowed this thing to go by. We heard a good deal about some man who was going to make a contract; now we learn that there is no man at all—there is nobody, though the minister seems to think there is some one who will come along. He has his bait out; it is floating along; some fish will bite if the bait is made attractive enough. But nobody will come here to do legitimate business unless we come down with our money. If a man in France wants to build a ship, will he not have it built in England, Scotland or Ireland? Does the minister think that as a business proposition he will come here to get it? The rate of Exchange as between France and England is certainly better than it is between France and Canada. The shipyards are there; the ships can be built at about two-thirds of the cost of building them on this side of the water. There is no business explanation of this proposal. We do not know who wants the ships built; we do not know what the size of the ships will be or how much they will cost. Hon. gentlemen opposite seem to think this is all nonsense. I see my good friend from New Brunswick (Mr. Loggie) over there. He represents a constituency about as wealthy as mine—perhaps not quite so wealthy—and thirty millions is nothing to him and to other hon. members opposite. But if we on this side try to safeguard the people who have to pay the money we are made sport of by hon. gentlemen opposite. But if my hon. friends are satisfied to take this sweetened pill— if sweetened it is—without any explanation whatever, then all I have to say is that there will be a day of reckoning. I know something about the temper of the people of Ontario. We have always heard members from that province say that they are down on bonuses of any kind; that the farmers of Ontario will not stand for it. What is the difference between giving bonuses and giving the whole business, as you are doing here? The whole policy of Ontario on the question of bonuses is being reversed here to-night; the Government are trying to force down the throats of a few Opposition members a proposal involving $30,000,000. When the Farmers' Party of Ontario understand this situation they will not be very much pleased. Their idea is that every man should do business on his own footing, with his own means and by his own enterprise. That is the principle upon which this country grew to its present stage. Do not let any one suppose that we have money. We have a little credit left and hon. gentlemen are going to exploit that credit—for whom, we do not know; certainly not for this country. Is this money to be given to any private enterprise that sends a delegation to Ottawa holding out flowery promises to the Government? We hear that delegations have been coming to this Government day after day asking for money to start building ships, without offering any security except a note without signature and a bad stamp on the corner. This is not a good busines proposition and it should not go through.

Mr. CAHILL: If the British Empire Steel Company likely to build any of these ships?

Sir HENRY DRAYTON: I could not give the hon. member any information on that point. I have not heard from them.

Mr. CAHILL: Will this be a forerunner of a bonus or bounty for the British Empire Steel Company and other companies of that nature that may come looking to the treasury of Canada for support?

Mr. CAHILL: Is the British Empire Steel Company do not own any of the shipyards in Canada, and I doubt very much whether they will.

Mr. DUFF: Do they own the Halifax shipyard?

Mr. BALLANTYNE: No.

Mr. CAHILL: I thought they owned the Dominion Steel Company.

Mr. BALLANTYNE: That is just a rumour.

Mr. CAHILL: The British Empire Steel Company make steel plates, I presume, and they will probably be looking for a bounty for ship plates. If the impression goes abroad that the Government of this country is giving bounties, there is no knowing

what people from all parts of the world will be coming to Ottawa for assistance. They will be getting the impression that the Government of Canada is so easy that all one has to do is to gather up a deputation from some place and bring it to Ottawa and make a demand upon this Government for assistance. As long as the Government had any money to give, these people got the money, and now that they have the money, they are asking for the credit of the country; they are asking the Government to endorse notes. It is well known that a merchant who endorses anybody's note or notes generally is soon regarded by his banker as a poor risk, and as a general thing a man who endorses notes is not allowed credit by a bank. We have exhausted our money; but our credit is still, to some extent, fair. But if we go on endorsing notes of people who come to us asking for assistance for any kind of undertaking, we shall soon find that not only have we lost our money, but we have lost our credit. A man may lose his money and recover it; but if he loses his credit as well, he is in a very bad position. The Government have not told us why they have adopted this policy; they have not told us where they get their precedent. When they wanted to corner some of the farmers who stated that this was a bad policy, they dug up Saskatchewan, or Alberta, or, perhaps British Columbia. We know what happened in those provinces on account of their guaranteeing bonds, and we know that if the Government of Canada had not come to the rescue, those provinces would have been in a bad way on that account. Is it the intention of this Government that the Dominion of Canada should get into the same position as the provinces? There is in Ontario scarcely a city or town that has not at some time guaranteed the bonds of, or assisted in some way, some undertaking in the city or town, and what for? Because it is going to employ labour,—and if you employ labour, you are supposed to be doing everything that is necessary. If you go through Ontario, you will find any number of towns which are paying interest on bonds they guaranteed for companies which failed. I do not believe there are half a dozen hon. members opposite—I was going to say one, but they are so erratic, you are liable to find anything amongst them—who would, in their own town, vote to guarantee bonds of any enterprise coming to that town. They will say: No, if this proposition is not good enough to carry on business on its own finances, if this company is not able to finance itself, we do not believe it is good business to assist it. The same thing applies to a province and still more does it apply to the Dominion of Canada. I doubt very much if any other nation in the history of the world has attempted anything of this kind. I doubt very much if the smallest, the poorest nations of Europe have ever attempted anything of this kind. It is so far removed from the principles of government and out of the line of business of government, that I do not believe there is another nation in the world would attempt this kind of thing. It is the poorest kind of business.

Mr. EDWARDS: This is very interesting.

Mr. CAHILL: If the hon. member is not interested, why does he not go home?

Mr. EDWARDS: I could not tear myself away from the melody of my hon. friend's tones.

Mr. CAHILL: As there is an ample number of supporters of the Government present to carry the resolution, one tired member of the House would not make much difference one way or the other.

Mr. EDWARDS: The hon. member is mighty poor on jokes.

Mr. CAHILL: Quite a number of hon. members opposite might just as well go home because they take no part in the legislation. I can understand their reason for doing so. Nobody except the Government would want to follow this legislation. The Government themselves know they are through, but there are back of them a few members who hope to return to this House again, and they naturally do not want to say anything in favour of this, and I do not blame them at all for that. If my hon. friend (Mr. Edwards) could throw any light on the subject, or if he would even say that he had read the resolution or knows what it is about, it might be interesting to allow him to have the floor for a few minutes.

Mr. EDWARDS: If my hon. friend is directing his attention to me, I have no doubt whatever that I could get up and discuss this subject and any other subject without having it read at all, more intelligently than the hon. gentleman, and I would not be half trying at that.

Mr. CAHILL: I know my hon. friend's estimation of himself is so good that he would not need to know even how to read to discuss some subjects as he has done in this House on several occasions to his entire satisfaction. Will the ministry not

give us some idea of where they evolved this bright idea whereby everybody is going to be made rich by taxation, where we are going to continue to build up industry and sell on credit to people who will never pay back the money? Perhaps, they could give us some idea of what they have in mind—if they have any policy in mind in regard to this guaranteeing of notes of people who may come here for money. If they refuse to do that, why should they ask us to support this resolution? They should insist on the Chairman getting his rest, and should move that the resolution be considered at some other time—perhaps in ten years from now,—a hundred years would be better. I see six ministers in their seats, more than I have seen in the House together almost at any other time this session. Why are there so many ministers here to-night anxious to see this resolution carried? They have given us no sound reason why this resolution should pass. They have given us no statement of their policy. They have given us no more information in connection with this resolution than they have given us in connection with a great many other resolutions and Bills that have been brought down. I think they should certainly tell us why there is need for all this haste. If it were in order for me to do so, I would move that the committee rise and report progress, but I presume that would not be in order.

Mr. SINCLAIR (Guysborough): I think the minister ought to consider the request of my hon. friend (Mr. Duff) and let us go home and think over this matter before we are required to vote on it. I did not have an opportunity of reading the resolution until the discussion commenced. I have read it carefully since, but I want to think it over and consult my friends about it. I do not think it is an unreasonable request that we should report progress in order that we may have time to study the resolution. The Minister of Finance has made no reply to this request of my hon. friend, which I think is a very fair and reasonable one. The time that was given to us to look over this resolution before it was moved in the committee was very short indeed. My hon. friend the Minister of Marine and Fisheries, only about two months ago, got $20,000,000 from the House for shipbuilding, and the very same arguments were used then. It was said that the shipyards were going to be idle if we did not vote this $20,000,000 and that 23,000 men would be thrown out of employment. We thought when we voted that $20,000,000 a couple of months ago we had settled the question, for the present session at all events, and it was startling to us to be asked for $30,000,000 more on such short notice. We have plastered this country all over with mortgages during the last two years, and have assumed liabilities of all kinds—$400,000,000 for the Canadian Northern, $400,000,000 for the Grand Trunk, and so it goes on. When are we going to stop? Does it not alarm even hon. gentlemen opposite? Are they content to go on shingling the country with more mortgages day by day? Are we to be asked to do these things without considering them at all? I think the Minister of Finance will agree with me that this is a rather sudden proposal, and I certainly think we should agree to the request of my hon. friend and move that the committee rise and report progress, so that we may have an opportunity to study this matter more thoroughly.

Mr. CALDER: If we were in the early stages of the session undoubtedly the request of the hon. member (Mr. Duff) would be acceded to, but we are all hoping that we shall get through within a week or ten days. All the Minister of Finance is asking to-night is that the resolution be passed more or less as a matter of form. We are not asking hon. gentlemen opposite to commit themselves to the principle of this resolution at this stage. They will have an opportunity to express themselves on the principle on the second reading of the Bill. All we ask now is that the resolution be passed more or less informally in order to expedite the business of the House. After the resolution goes through, the Bill will be printed and distributed, and I presume that it will contain provisions that do not appear in the resolution. Hon members will have an opportunity to see the Bill. It is not the intention of the Minister of Finance to press it to-morrow. Every member of the House will have the fullest opportunity of reading its provisions. I fully agree that every member of the House should have the fullest opportunity of examining the legislation from every angle before it is finally put through, and they will have that opportunity. Every member of the House will also have the privilege of taking any stand he desires on the principle, on the second reading. The Bill will also have to go through the committee stage. So there will be ample opportunity for considering this legislation. We are going to have a full day to-morrow, and I think hon. gentlemen might agree to let-

ting the resolution go through now, on division, if desired, on the distinct understanding that they are not committing themselves on the principle of the resolution, on which every hon. gentleman may take his stand on the second reading of the Bill.

Mr. COPP: I have not had an opportunity of hearing all the discussion on this resolution, but—

Some hon. MEMBERS: Carried.

Mr. COPP: If my hon. friends desire to continue their levity, artificial or otherwise, all right. I was going to say that I have not heard all the discussion, but this seems to me a rather serious proposal, and I think it should have been treated with some degree of seriousness and decorum instead of with the excess of levity and laughter I have heard in the last half hour.

Mr. EDWARDS: And the silliness from your own side.

Mr. COPP: I would not be so uncouth as to say there was silliness on the other side. I say this is a matter that hon. gentlemen on this side of the House wish to discuss with what ability they possess. Of course we cannot compare in ability with hon. gentlemen on the other side. I have seen the hon. member (Mr. Loggie) beating his desk and throwing back his head and laughing for a long while now. I come from the same province and have sat in the same House with him in the province of New Brunswick, and I have never known any one to accuse him of possessing a gigantic intellect. I have no desire to prolong this debate, but I say to the Minister of Finance if he desires to get legislation through the House with expedition he should treat hon. members on this side with some degree of courtesy and decency when they make their arguments.

Mr. McCREA: I have not been doing very much talking, but I have been doing some listening. To some extent I am a protectionist, but my protectionist propensities do not go quite so far apparently as those of my hon. friend the Minister of Marine and Fisheries (Mr. Ballantyne). This is protection with a vengeance. During the war when it was necessary to build a few ships the Minister of Marine arranged with the Vickers Shipbuilding institution at Montreal to build those vessels on the basis of paying the cost plus a 65 per cent commission for engaging the help.

Mr. BALLANTYNE: I never let any contract on a cost-plus basis.

Mr. McCREA: Is it not true that the Government had some vessels built by the Vickers Company and that they paid 65 per cent for employing the labour in addition to 10 per cent for the use of the plant and material?

Mr. BALLANTYNE: Not this Government.

Mr. McCREA: The previous Government?

Mr. BALLANTYNE: I do not know anything about that.

Mr. McCREA: The Borden Government. I do not see any difference. I do not know how this will appeal to our new friends at the other end of the Chamber who are opposed to all forms and traditions of protection. It is not only protection but it is getting vessels built under such circumstances as I have described. I believe in a certain amount of protection, but I think this is carrying it a little too far. The farmers ask the hon. member for Brantford (Mr. Cockshutt) and others to supply farm implements without any protection at all. I do not know whether he will be in favour of this class of protection. If so he is going a long way to help his fellow manufacturers. I think that shipbuilding is necessary, and it is probably very wise that it should be carried on, but this is one of the industries that should not go begging in normal times. Before the war freight rates were about one-tenth of what they are to-day. When ships can get rates that they are getting to-day they are not entitled to a very great deal of bolstering up. We voted the shipbuilding industry $30,000,000 some time ago. Are we going to vote $30,000,000 more? Does the Minister of Finance realize that he has just adopted a system of taxation under which every little girl on the streets who wears a hat worth two or three dollars is going to pay a tax? We should stop and consider before we vote millions for this class of industry. There is an arrangement now whereby coal is to be exported from this country in vessels built by the Government. I am in the manufacturing business, and I find it is very difficult to get coal and other material to carry on business with. We are going to bolster up men to build ships to be used for carrying an article out of the country that is very badly needed. I do not believe it is good business. I am in favour of building up all industries that can be build up in this country, but in a country as hard up as we are, in view of

the high rates that are prevailing and in view of the fact that the shipyards thought it was a proper course during the war to exact from the people of Canada 65 per cent commission on labour, it seems to me that it would be well for the Government to stop, think and consider before proceeding with this measure. We on this side of the House ask that it may be allowed to stand over until to-morrow in order that we may have an opportunity of examining it more closely. I do not think that is asking too much.

Mr. SINCLAIR (Guysborough): How long does the Minister of Marine expect this thing to last? When we voted $20,000,000 recently we thought it would be enough money to carry them along for the present season. The minister has fed the shipyards up with such large contracts for a year or two past that they have got very wealthy. Is this going to be permanent? And, will they come back every year for the same kind of accommodation? That seems to be the hopeless part of the business. The minister has not told us that this is going to be the last call for money for these shipyards. There are many shipyards that are not getting anything out of the bonus that is being paid by the Government. We voted $50,000,000 and then $20,000,000, and we are now asked to vote $30,000,000 more. I think we should have some idea as to when this baby is going to get along on its own account. I believe in nourishing the youngster, but when it gets so strong that it wears No. 11 boots, gets out of the cradle and threatens to kick the Government's blooming head off unless it is given further encouragement, we should find out where the end of it is going to be. I would like to know if this is the last call. We have had this call so frequently that it is alarming. It is alarming my constituents and I submit to the country generally that we are incurring these enormous liabilities time after time. The twenty millions that we have already voted this year for shipyard work is another mortgage on the country. It is adding another $20,000,000 to our debt, and now we have this further proposal. Is this going to stop or is it going to continue? Are we to be asked next year for another thirty million in order to keep the shipyards going? I would like the minister to answer that question.

The CHAIRMAN: Shall the resolution carry?

[Mr. McCrea.]

Mr. CAHILL: The Minister of Immigration and Colonization (Mr. Calder) appealed to us to expedite the work before the House by passing this resolution. I want to tell the minister that some of us on this side want to do the very opposite with the resolution. We do not want to expedite its passage; we want to kill it if we can.

Mr. BUTTS: You will kill the audience first.

Mr. CAHILL: I repeat, we do not want to expedite this resolution, we want to kill it. We cannot have the thorough discussion that we would like on the Bill when it is introduced; we have to adhere to the particular clause that may be under consideration. The Government have not given us any information about these ships they hope to have built or as to what the number will be. The member for Antigonish and Guysborough (Mr. Sinclair) a moment ago, put a question to the ministry and they refuse to answer; they sit there dumb. I do not blame them for that. If I could not give a better reason for this proposition than they have so far given I would also remain dumb.

Mr. BALLANTYNE: I was rising to reply to the hon. member for Guysborough when the hon. member for Pontiac (Mr. Cahill) intervened.

Mr. CAHILL: Very well, I will make way for the minister now.

Mr. BALLANTYNE: The hon. member for Guysborough (Mr. Sinclair) wants to know how long a period this is for. It is one year. He also wishes to know what the amount involved will be. I do not know what number of ships will be ordered, but if the committee deems it wise the amount can be limited. I said thirty millions; it may be fifteen, or it may only be ten. If the committee wishes a limit to be put, with the consent of the Minister of Finance —with whom I talked just a moment ago —we are willing to limit the amount to $20,000,000, and that will be spread over a period of three years. A question was also asked as to the size of the ships. The ships will be from 3,750 tons deadweight up to 7,000 tons. If the orders come from France—as I have every reason to think they will—they will be very suitable to our Canadian yards because the lake type of vessels can be used by France as colliers, and the larger vessels can be built in our big yards on both the Atlantic and Pacific coasts.

Mr. SINCLAIR (Guysborough): Has the minister any assurance from the shipping people that they will not come back next year for more money? Can the minister assure the committee that he will not require any more money later on to keep the shipyards going, or is he going to ask for money year after year for this purpose? That is the point I am mainly interested in.

Mr. BALLANTYNE: The hon. member has been a member of the House much longer than I have been, and I am sure he will agree that he would be an unwise minister that would try to anticipate what might or might not occur a year hence, or at the next session of Parliament. In the words of the late lamented Sir Wilfrid Laurier, "We will have to trust to Providence."

Mr. SINCLAIR (Guysborough): That is very true, but we are going into a venture that we ought to see the end of, and it strikes me that the minister ought to be able to say that in his opinion the shipyards will stand on their own feet if they get the assistance which is being provided for this session, approximating altogether some fifty millions. If he is not able to say so it is a pretty hopeless affair. If these people are not able to live on their own business, and we are to be asked next year to vote more money to keep the shipyards going it is a very sad state of things. The minister ought to be able to see far enough ahead to be able to give some assurance that if we make this large loan to keep the shipyards going for the present year they have some prospect of going ahead on their own account next year.

Mr. CAHILL: How many shipyards does the minister consider will be affected by this loan?

Mr. BALLANTYNE: Seventeen.

Mr. CAHILL: Where are the shipyards?

Mr. BALLANTYNE: The hour is late, still I have no objection to giving the hon. member the information he wants. They are located at Halifax, New Glasgow, Point Levis, Three Rivers (2), Montreal, Port Arthur, Collingwood, Toronto, Midland, Bridgeburg, Welland, Kingston, Prince Rupert, Victoria and Vancouver (2).

Mr. CAHILL: How many shipyards are in a position to get orders from a foreign country, or from substantial people, if this resolution carries? Will more than one or two be affected?

Mr. GOULD: Has it been tentatively understood or agreed between the Canadian and French Governments that this business will be forthcoming if the resolution passes?

Mr. CAHILL: I have asked the minister whether any other shipyards than one or two will be affected by this legislation?

Mr. BALLANTYNE: As I said before, there are in all seventeen yards. This matter has been brought to the attention of the Government during the last four months. Various financial groups have waited upon us, and all the shipyards from Prince Rupert to Halifax are very much interested. They are all anxious for business, and they all hope to get it. Beyond that I cannot say.

Mr. CAHILL: Will the Minister of Finance (Sir Henry Drayton) tell us whether or not this will affect the country's credit? We are borrowing a great deal of money upon which we have to pay interest. We have loans maturing in the United States and in Great Britain, and I have no doubt that we will very shortly have to renew some of them. I would therefore ask the minister, before he asks the committee to pass this resolution, whether he thinks it will in any way affect the credit of the Dominion?

Sir HENRY DRAYTON: The power is taken for the Government to control the discount in place of paying for these notes. We are not allowing the notes to be hawked around as has been suggested by one hon. member. Of course we have got any amount of liabilities to meet—and I think we are going to meet them. But there is one thing we have all got to bear in mind, that the only way to meet our liabilities is to carry on, and that it is not a very good thing when we are keeping shop and meeting our liabilities to have a large amount of unemployment in an important industry.

Mr. GOULD: Mr. Chairman, I rise to tender a mild protest. I asked a question of the hon. minister twice, but no answer has been forthcoming. Now, although the ant cannot push the elephant, it objects to being pushed by the elephant, and I think that if my question was courteously put—and I meant it to be—I should be accorded some sort of answer. I would like to have an answer to the one question I put to the minister.

Sir HENRY DRAYTON: I think that question was put to the Minister of Marine and

Fisheries, but evidently he did not hear it, because he has just asked me what it was. The question was whether the Government of France were interested in this matter. Whether that government, as a government, is interested I do not know, except to this extent, that the gentlemen who have presumably been interested on behalf of the French Government wanted to get credits for the purpose of shipbuilding. Further than that, offers were made at one time by those gentlemen that they would supply bonds of the French Government for the full expenditure, and of course if they had done that undoubtedly the French Government would have to be interested. I cannot speak about it personally because I did not follow it up.

Mr. GOULD: The question that I wished answered was whether, in the information of the Government, the French Government would be disappointed, as a result of the communications that have passed between the two governments, if this resolution does not carry?

Mr. BALLANTYNE: We cannot say whether the French Government would be disappointed or not, but I may say that they are intensely anxious that this matter should go through. A proposition was made to us to take French bonds, but other conditions were attached that did not satisfy the Government. I should judge from the negotiations that went on for some time that the French Government are very much interested.

Mr. McKENZIE: I gather from the statements of the minister that he is not in the same position as when shipbuilding himself, for then he had control of the money; but in this case he has no control over the money at all, he simply endorses a certain document which enables the man building the ship to get the money and pay it out. If we were giving a bounty we would know we were giving so much a ton and would not expect to get it back, except indirectly in the way of increased industry. Another objection to this proposal is that the man in France in getting his ship built will surely take advantage of the market, and if he is a business man at all he will call for tenders in the open market and get shipbuilders from the Old Country to underbid us every time, because they are able to build ships very much cheaper than we can, with the result that we will have to make some business losses in order to secure any contracts.



I may say, Mr. Chairman, that I was never more honest than in my opposition to this resolution to-night. I am honestly convinced that the Government should not have introduced this resolution, that it should not pass the House, and that hon. gentlemen on both sides of the House should refuse to give their assent to an expenditure of this kind. We were told in the early stages, in the suave and positive manner of the Minister of Finance, that he had the most ample security for the money he was paying out, but when we came down to a little closer investigation we found he was getting no security. That foreigner is too cute for the minister. The foreigner has the ship and cannot give a mortgage on it, and therefore my hon. friend has no security. He has failed to tell us where the other security is to come from. We thought at one time that it would be on the ship, but it has been abundantly demonstrated that a foreigner cannot own a ship in this country. Perhaps if the minister gives this matter fuller consideration he will be able to satisfy himself that he cannot get any security, and that therefore as trustee of the money of the people he had better not press this proposal to a conclusion under present circumstances.

Mr. CAHILL: Where does the company buying the ship and for whom the note is endorsed expect to get the money? Do they expect to finance it with the Canadian banks?

Sir HENRY DRAYTON: No, not the Canadian banks; that will be left with us to arrange. The Government prefers to attend to that. We will not finance it in such a way as to make any conflict with our own banks or take any of our necessary money out of the country.

Mr. CAHILL: What has the Government in mind as to how the financing will be done?

Sir HENRY DRAYTON: It will be financed in whichever market is the best; at the moment the chances are it would be the American market.

Mr. CAHILL: You will state where the company which has the note may dispose of it; so that it is really equivalent to a short-term Canadian bond. That is what it amounts to.

Mr. CANNON: Does this resolution apply only to existing contracts, or will it apply also to contracts made in the future?

Sir HENRY DRAYTON: It does not apply to any particular contract. It will apply to any proper contract.

Mr. CANNON: The minister has given as the main reason for this resolution the suggestion that the shipbuildng industry in Canada needs help. If the resolution applied only to existing contracts there might be some reason for it; but why open the door to all contracts in the future? Any man who goes into the shipbuilding business may take advantage of this legislation and obtain help from the Government.

Sir HENRY DRAYTON: It merely applies to existing shipyards. In the case of any existing shipyard with a force of men employed, it would apply to any contract necessary for the purpose of keeping it going.

Mr. CANNON: Is it the intention of the Government to bring down, based upon this resolution, a general Bill, or will the Bill be restricted as to its clauses? Will there be a preamble explaining the reasons for the introduction of the Bill?

Sir HENRY DRAYTON: There will not be a general Bill. It will be a Bill for a specific purpose, but it will limit the amount.

Mr. CANNON: The principle of the Bill is most extraordinary and exceptional. That the Government of this country should step in and help a particular industry is something new. I do not think that the principle is good. I believe that the House would look with more favour upon a Bill in which the primary reasons for its introduction were stated than it would upon a general Bill without any explanations or restrictions.

Resolution carried on division, reported and concurred in.

Sir HENRY DRAYTON (Minister of Finance) thereupon moved for leave to introduce Bill No. 199, to assist shipbuilding.

Motion agreed to and Bill read the first time.

On motion of Rt. Hon. Mr. Doherty the House adjourned at 2.42 a.m. (Wednesday).

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*Abbreviations.*—1r., 2r., 3r.=first, second, or third reading. Admn.=Administration; Amdt.=Amendment. Com.=Committee. Div.=Division. Dept.=Department. Govt.=Government. M.=Motion. Ques.=Question. Ref.=Reference. Rep.=Report. Res.=Resolution. Sec.=Section.


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